As confidentially submitted to the Securities and Exchange Commission on October 2, 2020.
This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Silverback Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	2834	81-1489190
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

500 Fairview Ave N, Suite 600
Seattle, Washington 98109
(206) 456-2900
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Laura Shawver, Ph.D.
Chief Executive Officer
Silverback Therapeutics, Inc.
500 Fairview Ave N, Suite 600
Seattle, Washington 98109
(206) 456-2900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Kenneth J. Rollins
Charles S. Kim
James Pennington
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4401 Eastgate Mall
San Diego, California 92121
(858) 550-6000

Brian J. Cuneo
Phillip S. Stoup
Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
(650) 328-4600

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	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, $0.0001 par value per share	$	$

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of additional shares of common stock that the underwriters have the option to purchase.

(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

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

EXPLANATORY NOTE

Pursuant to the applicable provisions of the Fixing America's Surface Transportation Act, we are omitting our unaudited financial statements as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 because they relate to historical periods that we believe will not be required to be included in the prospectus at the time of the contemplated offering. We intend to amend this registration statement to include all financial information required by Regulation S-X at the date of such amendment before distributing a preliminary prospectus to investors.

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

Subject to Completion, Dated , 2020

Shares

Common Stock

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

Prior to this offering, there has been no public market for our common stock. We currently expect the initial public offering price will be between $ and $ per share of our common stock.

We have applied to list our common stock on the Nasdaq Global Market under the symbol “SBTX.”

We are an “emerging growth company” as defined under the federal securities laws and, as such, have elected to comply with certain reduced reporting requirements in this prospectus and may elect to do so in future filings.

See the section titled “Risk Factors” beginning on page 12 to read about factors you should consider before deciding to invest in shares of our common stock.

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

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds, before expenses, to Silverback Therapeutics, Inc.	$	$

(1) See the section titled “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 an additional shares of our common stock at the initial public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment in New York, New York on , 2020.

Goldman Sachs & Co. LLC **SVB Leerink** **Stifel**

H.C. Wainwright & Co.

Prospectus dated , 2020

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside the United States.

PROSPECTUS SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus. You should carefully consider, among other things, the sections of this prospectus titled "Risk Factors," "Special Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus. Unless the context otherwise requires, the terms "Silverback Therapeutics," "Silverback," "we," "us," "our" and similar references in this prospectus refer to Silverback Therapeutics, Inc.

Overview

We are a clinical-stage biopharmaceutical company focused on leveraging our proprietary ImmunoTAC technology platform to develop systemically delivered, tissue targeted therapeutics for the treatment of cancer, chronic viral infections, and other serious diseases. Our platform enables us to strategically pair proprietary linker-payloads that modulate key disease-modifying pathways with monoclonal antibodies directed to specific disease sites. Initially, we are applying our platform to create a new class of targeted immuno-oncology agents that direct a myeloid cell activator to the tumor microenvironment (TME) in solid tumors to promote cancer cell killing. Our lead product candidate, SBT6050, is comprised of a TLR8 linker-payload conjugated to a HER2-directed monoclonal antibody that targets tumors such as certain breast, gastric and non-small cell lung cancers, among others. SBT6050 is currently in a Phase 1/1b clinical trial in patients with advanced or metastatic HER2-expressing solid tumors. In this trial, we have observed single agent pharmacological activity in the first dose cohort, and we anticipate providing an update on interim data from the Phase 1 dose-escalation cohorts in the second half of 2021. SBT6290 is our second product candidate, expanding on the potential of a TLR8 agonist as a payload. SBT6290 is a TLR8 linker-payload conjugated to a monoclonal antibody that targets Nectin4, which is expressed in certain bladder, triple negative breast, head and neck, and non-small cell lung cancers. We anticipate submitting an investigational new drug application (IND) for SBT6290 in the fourth quarter of 2021. Our third TLR8 program, SBT8230, is comprised of a TLR8 linker-payload conjugated to an ASGR1 monoclonal antibody that is under development for the treatment of chronic hepatitis B virus infection (cHBV). We are also developing agents that localize therapies to modulate important pathways in additional oncology and fibrosis indications using TLR8 and other linker-payloads.

Our ImmunoTAC Platform

Our ImmunoTAC platform is the result of a focused effort to discover ways to systemically deliver disease-modifying small molecules in a directed fashion to sites of disease. Many potentially promising systemic therapies fail to maximize their therapeutic potential due to toxicities in healthy tissues. Our approach is designed to increase the therapeutic window and avert unacceptable toxicities by directly targeting specific disease sites where our therapeutics are locally active.

As shown in the figure below, our ImmunoTAC platform is comprised of three components:

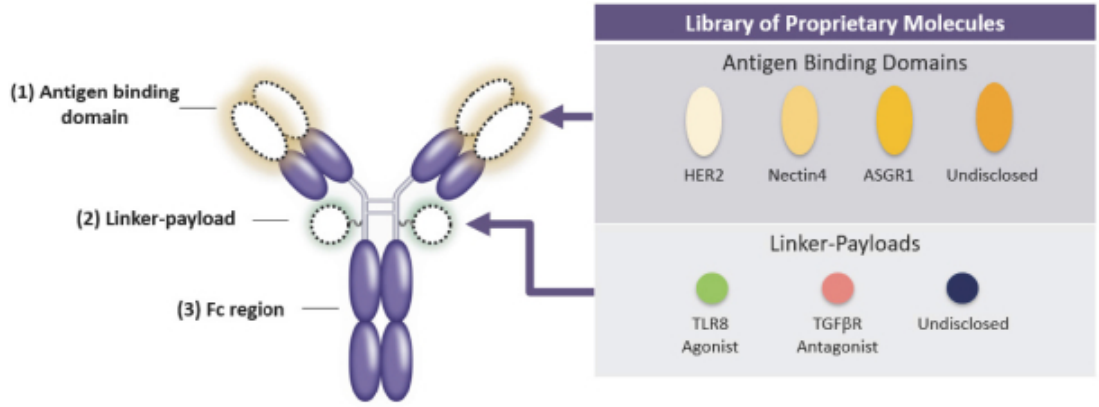
(1) **Antigen binding domain**—which is responsible for localizing the therapeutic activity of the payload to the site of the disease;

(2) **Linker-payload**—a disease-modifying small molecule optimized for potency when conjugated to a monoclonal antibody via its linker; and

(3) **Fc region**—tuned for requisite effector function.

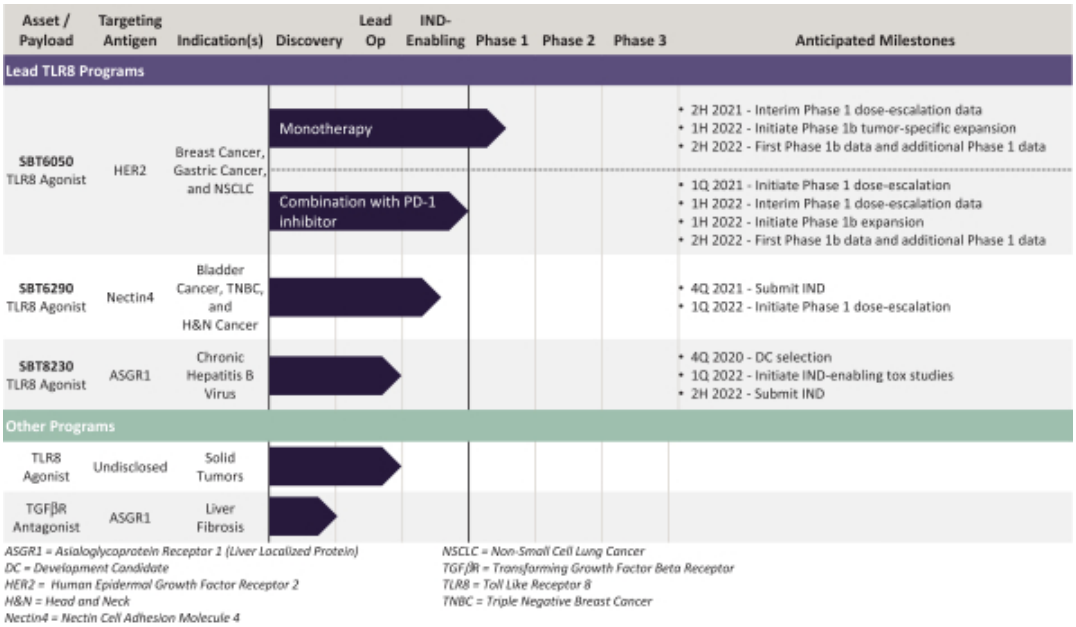
We have built a library of proprietary small molecule linker-payloads and antigen binding domains that allows us to mix and match these components to strategically pair and create new therapeutic agents.

Our ImmunoTAC Platform Strategically Pairs Antigen Binding Domains with Linker-Payloads to Modulate Pathways Underlying Difficult-to-Treat Diseases



Our Development Pipeline

Our ImmunoTAC platform drives our pipeline of tissue targeted therapeutic candidates as summarized in the chart below:



Tumor-Localized Myeloid Cell Activation

Myeloid cells are a class of innate immune cells that develop from common monocyte-dendritic cell progenitor cells and are comprised of both immunosuppressive and pro-inflammatory subpopulations. Tumors are permeated with myeloid cells, which can comprise between 5% and 10% of the tumor. Activation of myeloid cells, either by reprogramming immunosuppressive myeloid cells towards a more pro-inflammatory phenotype or stimulating other myeloid cells that have been silenced (e.g., dendritic cells), results in direct tumor killing and recruitment of immune cells. Further, activated myeloid cells can prime and amplify T cell and natural killer (NK) cell responses, bridging the innate and adaptive immunity to elicit broad, durable anti-tumor responses.

SBT6050

Our lead product candidate, SBT6050, is comprised of a TLR8 linker-payload conjugated to a HER2-directed monoclonal antibody and is designed to activate myeloid cells in tumors expressing moderate or high levels of HER2. TLR8 is expressed in myeloid cell types prevalent in human tumors and TLR8 agonism can activate a broad spectrum of anti-tumor immune mechanisms. Therefore, we believe that TLR8 is the optimal target for activating human myeloid cell types in the TME.

SBT6050 utilizes HER2 to localize and facilitate the delivery of the TLR8 agonist conjugate into myeloid cells in the TME. Therefore, unlike HER2 targeted therapies that have been approved by the U.S. Food and Drug Administration (FDA) such as Herceptin (trastuzumab), SBT6050 does not require HER2 to be an oncogenic driver to elicit anti-tumor activity. Furthermore, SBT6050 recognizes the HER2 sub-domain II, the pertuzumab epitope, and does not cross-block trastuzumab, allowing for potential combinations with trastuzumab-based agents, which are standard of care therapies in some HER2-expressing cancers.

We are currently evaluating the safety and tolerability of SBT6050 in a Phase 1 dose-escalation trial in patients with advanced or metastatic HER2-expressing solid tumors. Single agent pharmacological activity has been observed in the first dose-escalation cohort of this trial. We anticipate providing an update on interim data from the Phase 1 dose-escalation cohorts in the second half of 2021.

SBT6290

SBT6290 is our second product candidate, expanding on the potential of a TLR8 agonist as a payload. The same TLR8 linker-payload used in SBT6050 is conjugated to a monoclonal antibody that targets Nectin4. Nectin4 is expressed in subsets of solid tumors including bladder, triple negative breast, head and neck, and non-small cell lung cancers, and has been clinically validated by Seattle Genetics through the approval of the antibody-drug conjugate enfortumab vedotin (Padcev). We anticipate submitting the IND for SBT6290 in the fourth quarter of 2021.

SBT8230

SBT8230, an ASGR1-TLR8 ImmunoTAC therapeutic, is our third TLR8 program. SBT8230 is engineered to potently activate human myeloid cells in the liver for the treatment of cHBV. Selgantolimod (GS-9688), an existing untargeted, orally administered TLR8 agonist being developed by Gilead Sciences, generated anti-viral immune responses in a cHBV animal model. The clinical development of this untargeted TLR8 agonist has shown promise, but we believe that toxicity prevented the use of a sufficient dose to elicit optimal clinical activity. We believe liver-localized TLR8

agonism could better realize the potential for effective therapy and potentially lead to functional cures in patients suffering from cHBV. We anticipate selecting a development candidate for this program in the fourth quarter of 2020.

Additional Immuno-Oncology Programs

In addition to SBT6050 and SBT6290, we are evaluating other solid tumor targets to leverage the TLR8 linker-payload paired with additional tumor directed antibodies. These targets are differentially expressed on tumors compared to normal tissue.

ASGR1-TGFß Receptor—Fibrosis Program

TGFß signaling is a key mediator of fibrosis across multiple organ systems, including the liver. In the liver, TGFß drives fibrosis initiation and progression through multiple mechanisms, including hepatocyte apoptosis, hepatic stellate cell transdifferentiation to myofibroblasts, and pro-fibrotic macrophage activation. Our ASGR1-TGFßR1 antagonist conjugate pairs the ASGR1 antibody used in SBT8230 with a proprietary TGFßR1 antagonist to achieve liver-localized inhibition of TGFß signaling to treat fibrosis. Our tissue-directed approach has been designed to prevent toxicities associated with untargeted systemically distributed TGFßR1 antagonist agents. Our ASGR1-TGFßR1 antagonist conjugates are currently in preclinical testing and have demonstrated potent inhibition of TGFß signaling *in vitro*. We are currently evaluating conjugates *in vivo* in mouse disease models.

Our Strategy

Our goal is to transform the treatment of cancer and other serious diseases with unmet need using our ImmunoTAC platform to deliver a new class of systemically delivered, tissue-directed, and locally active therapies. The key elements of our business strategy are to:

- Advance SBT6050 through development and seek expedited approval.
- Advance SBT6050 into earlier lines of therapy.
- Maximize the therapeutic potential of TLR8 in oncology and other serious diseases.
- Leverage our ImmunoTAC platform for promising new antibody-linker-payload combinations.
- Evaluate opportunities to accelerate development timelines and/or enhance the commercial potential of our programs in partnership with third parties.

Our Team and Investors

We have assembled an accomplished management team with a proven track record of therapeutic development expertise and of generating meaningful shareholder value. The members of our team have deep experience in discovering, developing, and commercializing therapeutics with a particular focus on cancer, having worked at companies such as Synthorx (acquired by Sanofi), Juno Therapeutics (acquired by Celgene), Cascadian Therapeutics (acquired by Seattle Genetics), Acerta Pharma (acquired by AstraZeneca), Ignyta (acquired by Roche), Roche/Genentech, Seattle Genetics, SUGEN (acquired by Pharmacia), and Trubion Pharmaceuticals (acquired by Emergent Biosolutions).

Since our inception in 2016, we have raised over $215 million in capital from leading investors including OrbiMed Advisors, Alexandria Venture Investments, Boxer Capital of Tavistock Group, Celgene, Colt Ventures, EcoR1 Capital, Fidelity, Hunt Technology Ventures, Nantahala Capital Management, Nextech Invest, Pontifax, RA Capital, and U.S. Venture Partners.

Risks Associated with Our Business

Our business is subject to a number of risks that you should be aware of before making a decision to invest in our common stock. These risks are more fully described in the section titled "Risk Factors" immediately following this prospectus summary. These risks include, among others, the following:

- We have incurred significant net losses since inception, and we anticipate that we will continue to incur significant losses for the foreseeable future and may never be able to achieve or sustain revenues or profitability in the future.
- Even if this offering is successful, we will need substantial additional funding.
- We have a limited operating history and face significant challenges and will incur substantial expenses as we build our capabilities.
- Drug development involves a lengthy and expensive process with uncertain outcomes, and the results of preclinical studies and early clinical trials are not necessarily predictive of future results.
- Our discovery and development activities are focused on developing systemically delivered and tissue targeted therapeutics for the treatment of cancer and other serious diseases and it is difficult to predict the time and cost of product candidate development and obtaining regulatory approval.
- Our approach to the discovery and development of product candidates is unproven, and we may not be successful in our efforts to use and further develop our product engine to expand our pipeline of product candidates with commercial value.
- The market opportunities for our product candidates may be relatively small as it will be limited to those patients who are ineligible for or have failed prior treatments and our estimates of the prevalence of our target patient populations may be inaccurate.
- We rely, and expect to rely in the future, on third parties, including independent clinical investigators and contract research organizations (CROs), to conduct certain aspects of our preclinical studies and planned clinical trials.
- Our success is highly dependent on our ability to attract and retain highly skilled executive officers and employees.
- The COVID-19 pandemic could adversely impact our business, including our planned clinical trials.
- Our success depends on our ability to protect our intellectual property and our proprietary technologies.

Corporate Information

We were incorporated under the laws of the State of Delaware on January 4, 2016. Our principal executive offices are located at 500 Fairview Ave N, Suite 600, Seattle, Washington 98109, and our telephone number is (206) 456-2900. Our corporate website address is www.silverbacktx.com. Information contained on, or accessible through, our website shall not be deemed incorporated into and is not a part of this prospectus or the registration statement of which it forms a part. We have included our website in this prospectus solely as an inactive textual reference.

Trademarks and Service Marks

"Silverback Therapeutics," "Silverback," the Silverback logo and other trademarks, trade names or service marks of Silverback Therapeutics, Inc. appearing in this prospectus are the property of Silverback Therapeutics, Inc. All other trademarks, trade names and service marks appearing 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 without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (JOBS Act), enacted in April 2012, and we may remain an emerging growth company for up to five years following the completion of this offering. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

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 provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards, and therefore we will not be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

We would cease to be an "emerging growth company" upon the earliest to occur of: (i) the last day of the fiscal year in which we have $1.07 billion or more in annual revenue; (ii) the date on which we first qualify as a large accelerated filer under the rules of the Securities and Exchange Commission (SEC); (iii) the date on which we have, in any three-year period, issued more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens.

We are also a "smaller reporting company" as defined in the Securities and Exchange Act of 1934, as amended (Exchange Act). We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

The Offering

Common stock to be offered	shares.
Option to purchase additional shares	The underwriters have a 30-day option to purchase up to additional shares of common stock from us.
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase up to additional shares of common stock), based on the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, along with our existing cash and cash equivalents, (i) to fund the development of SBT6050, including the ongoing Phase 1 dose-escalation trial and planned Phase 1b tumor-specific expansion trial of SBT6050 as a monotherapy in HER2-expressing tumors; (ii) to fund the planned Phase 1 dose-escalation trial and planned Phase 1b trial of SBT6050 in combination with a PD-1 inhibitor; (iii) to fund the development of SBT6290, including the ongoing IND-enabling studies and planned Phase 1 dose-escalation trial of SBT6290 in Nectin4-expressing tumors; (iv) to fund the development of ASGR1-TLR8, including the planned development candidate selection for and planned IND-enabling studies of our SBT8230 program in cHBV; and (v) to fund our other research and development activities, as well as for working capital and other general corporate purposes. See the section of this prospectus titled “Use of Proceeds.”
Risk factors	You should read the section of this prospectus titled “Risk Factors” for a discussion of factors to consider carefully, together with all the other information included in this prospectus, before deciding to invest in our common stock.

Proposed Nasdaq Global Market symbol	"SBTX"
Directed share program	At our request, the underwriters have reserved up to % of the shares of our common stock offered by this prospectus, excluding the additional shares that the underwriters have a 30-day option to purchase, for sale, at the initial public offering price, to certain of our directors and officers and certain other parties related to us. Shares purchased by our directors and officers will be subject to the 180-day lock-up restriction described in the section of this prospectus titled "Underwriting." The number of shares of common stock available for sale to the general public will be reduced to the extent these individuals 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 shares of common stock outstanding as of September 30, 2020 (which includes shares outstanding that are subject to forfeiture or our right to repurchase as of such date), and excludes:

- shares of our common stock issuable upon the exercise of outstanding stock options as of September 30, 2020, with a weighted-average exercise price of $ per share;
- shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to September 30, 2020, with a weighted-average exercise price of $ per share;
- 33,995 shares of common stock which will become issuable to the lenders under our loan and security agreement (Loan Agreement) upon the exercise of warrants outstanding as of September 30, 2020 (Lender Warrants), at a weighted-average exercise price of $0.63 per share;
- shares of common stock reserved for future issuance under our 2020 Equity Incentive Plan (2020 Plan), as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under our 2016 Equity Incentive Plan (Prior Plan), which shares will be added to the 2020 Plan upon its effectiveness); and
- shares of common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan (ESPP), as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

Unless otherwise indicated, all information contained in this prospectus, including the number of shares of common stock that will be outstanding after this offering, assumes or gives effect to:

- the conversion of all outstanding shares of our redeemable convertible preferred stock as of September 30, 2020 into an aggregate of shares of our common stock in connection with the closing of this offering;
- no exercise by the underwriters of their option to purchase up to additional shares of our common stock;
- no exercise of the outstanding options and the Lender Warrants described above;
- the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering and the adoption of our amended and restated bylaws upon the closing of this offering; and
- a one-for- reverse stock split of our common stock to be effected prior to the consummation of this offering.

Summary Financial Data

The following tables set forth a summary of our financial data as of, and for the periods ended on, the periods indicated. We have derived the summary statements of operations and comprehensive loss data for the years ended December 31, 2018 and 2019 from our audited financial statements included elsewhere in this prospectus. We have derived the summary statements of operations and comprehensive loss data for the nine months ended September 30, 2019 and 2020 and the summary balance sheet data as of September 30, 2020 from our unaudited interim condensed financial statements included elsewhere in this prospectus. Our unaudited interim condensed financial statements have been prepared on a basis consistent with our audited financial statements and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the financial information in those statements. You should read the following summary financial data together with our financial statements and the related notes included elsewhere in this prospectus and in the sections of this prospectus titled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of results that should be expected in any future period, and our results for any interim period are not necessarily indicative of results that should be expected for any full year.

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
	(in thousands, except share and per share amounts)			
Statements of Operations Data:				
Operating expenses:				
Research and development	$ 14,804	$ 21,505	$	$
General and administrative	3,516	2,562		
Total operating expenses	18,320	24,067		
Loss from operations	(18,320)	(24,067)		
Change in fair value of redeemable convertible preferred stock purchase option liability	698	—		
Interest income, net	43	100		
Net loss and comprehensive loss	$ (17,579)	$ (23,967)	$	$
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (7.84)	$ (9.77)	$	$
Weighted-average shares of common stock used in computing net loss per share attributable to common stockholders, basic and diluted(1)	2,241,942	2,453,937		
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		$		$
Pro forma weighted-average shares of common stock used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)				

(1) See Notes 2, 16 and 17 to our financial statements included elsewhere in this prospectus for details on the calculation of our basic and diluted net loss per share attributable to common stockholders and our basic and diluted pro forma net loss

per share attributable to common stockholders, and the weighted-average number of shares used in computing the per share amounts.

	As of September 30, 2020		
	Actual	Pro Forma(1)(3)	Pro Forma As Adjusted(2)(3)
		(unaudited) (in thousands)	
Balance Sheet Data:			
Cash and cash equivalents	$	$	$
Working capital(4)			
Total assets			
Total liabilities			
Redeemable convertible preferred stock			
Total stockholders' (deficit) equity			

(1) The pro forma balance sheet data gives effect to (i) the conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of shares of our common stock in connection with the closing of this offering and (ii) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering.

(2) The pro forma as adjusted balance sheet data gives effect to (i) the pro forma adjustments set forth in footnote (1) above and (ii) our receipt of net proceeds from the sale of shares of our common stock at the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the 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 would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash and cash equivalents, working capital, total assets and total stockholders' (deficit) equity by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash and cash equivalents, working capital, total assets and total stockholders' (deficit) equity by $ million, assuming no change in the assumed initial public offering price per share and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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

(4) Working capital is defined as current assets less current liabilities. See our financial statements and the related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

RISK FACTORS

Investing in our common stock is speculative and involves a high degree of risk. You should consider carefully the risks described below, together with the other information contained in this prospectus, including our financial statements and the related notes included elsewhere in this prospectus and in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding whether to invest in our common stock. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See the section titled "Special Note Regarding Forward-Looking Statements."

Risks Related to Our Limited Operating History, Financial Position and Capital Requirements

We have a limited operating history, have incurred net losses since our inception, and anticipate that we will continue to incur significant losses for the foreseeable future. We may never generate any revenue or become profitable or, if we achieve profitability, may not be able to sustain it.

We are an early-stage biopharmaceutical company with a limited operating history that may make it difficult to evaluate the success of our business to date and to assess our future viability. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, developing and optimizing our technology platform, identifying potential product candidates, undertaking research and preclinical studies and a clinical trial for our lead program, engaging in manufacturing for our development programs, establishing and enhancing our intellectual property portfolio, and providing general and administrative support for these operations. We have one product candidate in early clinical development and all of our other product candidates are in preclinical development, and none have been approved for commercial sale. We have never generated any revenue from product sales and have incurred net losses each year since we commenced operations. For the years ended December 31, 2018 and 2019, our net losses were $17.6 million and $24.0 million, respectively. We expect that it will be several years, if ever, before we have a product candidate ready for regulatory approval and commercialization. We expect to incur increasing levels of operating losses over the next several years and for the foreseeable future as we advance our product candidates through clinical development. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' deficit and working capital.

To become and remain profitable, we must develop and eventually commercialize a product or products with significant market potential. This will require us to be successful in a range of challenging activities, including completing preclinical studies and clinical trials of our product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing and selling those products for which we may obtain marketing approval and satisfying any post-marketing requirements. We may never succeed in these activities and, even if we succeed in commercializing one or more of our product candidates, we may never generate revenue that is significant or large enough to achieve profitability. In addition, as a young business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown challenges. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis and we will continue to incur substantial research and development and other expenditures to develop and market additional product candidates. Our failure to become and remain profitable would decrease the value of the company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

Even if this offering is successful, we will need to obtain substantial additional funding to complete the development and commercialization of our product candidates. If we are unable to raise this capital when needed, we may be forced to delay, reduce or eliminate our product development programs or other operations.

Since our inception, we have used substantial amounts of cash to fund our operations and expect our expenses to increase substantially during the next few years. The development of biopharmaceutical product candidates is capital intensive. As our product candidates enter and advance through preclinical studies and clinical trials, we will need substantial additional funds to expand our clinical, regulatory, quality and manufacturing capabilities. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to marketing, sales, manufacturing and distribution. Furthermore, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company.

As of September 30, 2020, we had $ million in cash and cash equivalents. Based upon our current operating plan, we estimate that our existing cash and cash equivalents as of the date of this prospectus, together with the estimated net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements for at least the next months. However, the expected net proceeds from this offering will not be sufficient to fund any of our product candidates through regulatory approval, and we will need to raise substantial additional capital to complete the development and commercialization of our product candidates.

We have based these estimates on assumptions that may prove to be incorrect or require adjustment as a result of business decisions, and we could utilize our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the initiation, trial design, progress, timing, costs and results of drug discovery, preclinical studies and clinical trials of our product candidates, and in particular the clinical trials for SBT6050;
- the number and characteristics of product candidates that we pursue;
- the length of our clinical trials, including, among other things, as a result of delays in enrollment, difficulties enrolling sufficient subjects or delays or difficulties in clinical trial site initiations;
- the outcome, timing and costs of seeking FDA, European Medicines Agency (EMA) and any other regulatory approvals;
- the costs of manufacturing our product candidates, in particular for clinical trials in preparation for marketing approval and in preparation for commercialization;
- the costs of any third-party products used in our combination clinical trials that are not covered by such third party or other sources;
- the costs associated with hiring additional personnel and consultants as our preclinical, manufacturing and clinical activities increase;
- the receipt of marketing approval and revenue received from any commercial sales of any of our product candidates, if approved;
- the cost of commercialization activities for any of our product candidates, if approved, including marketing, sales and distribution costs;
- the emergence of competing therapies and other adverse market developments;
- the ability to establish and maintain strategic collaboration, licensing or other arrangements and the financial terms of such agreements;

- the extent to which we in-license or acquire other products and technologies;
- the amount and timing of any payments we may be required to make pursuant to our current or future license agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- our need and ability to retain key management and hire scientific, technical, business, and medical personnel;
- our implementation of additional internal systems and infrastructure, including operational, financial and management information systems;
- or costs associated with expanding our facilities or building out our laboratory space;
- the effects of the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide from the COVID-19 pandemic; and
- the costs of operating as a public company.

Because we do not expect to generate revenue from product sales for many years, if at all, we will need to obtain substantial additional funding in connection with our continuing operations and expected increases in expenses. Until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potentially grants, collaborations, licenses or other similar arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. The impact of the COVID-19 pandemic on capital markets may affect the availability, amount and type of financing available to us in the future. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Raising additional capital may cause dilution to our stockholders, including purchasers of common stock in this offering, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through equity offerings, debt financings or other capital sources, including potentially grants, collaborations, licenses or other similar arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Additional debt financing, if available, may involve agreements that include covenants further limiting or restricting our ability to take specific actions beyond those contained in our existing loan agreement, such as further limitations on our ability to incur additional debt, make capital expenditures or declare dividends.

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

The terms of our loan agreement place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

As of September 30, 2020, we had an outstanding term loan including principal and final payment fee of $1.1 million under our loan and security agreement, as amended, with Silicon Valley Bank (SVB). The loan is secured by a lien covering substantially all of our personal property, rights and assets, excluding intellectual property. The loan agreement contains customary affirmative and negative covenants and events of default applicable to us and any subsidiaries. The affirmative covenants include, among others, covenants requiring us (and us to cause our subsidiaries, if any) to maintain governmental approvals, deliver certain financial reports, maintain insurance coverage, and protect material intellectual property. The negative covenants include, among others, restrictions on us and our subsidiaries transferring collateral, changing our business, engaging in mergers or acquisitions, incurring additional indebtedness, paying cash dividends or making other distributions, making investments, creating liens, selling assets and making any payment on subordinated debt, in each case subject to certain exceptions. The restrictive covenants of the loan agreement could cause us to be unable to pursue business opportunities that we or our stockholders may consider beneficial. In addition, SVB could declare a default upon the occurrence of any event that it interprets as a material adverse change as defined under the loan agreement. If we default under the loan agreement, SVB may accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. Further, if we are liquidated, SVB's right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. Any declaration by SVB of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

Risks Related to the Discovery, Development and Regulatory Approval of Our Product Candidates

We are early in our development efforts and we have only one product candidate in clinical development. We have a limited history of conducting clinical trials to test our product candidates in humans.

We are early in our development efforts and most of our operations to date have been limited to developing our platform technologies and conducting drug discovery and preclinical studies. Our lead product candidate, SBT6050, entered Phase 1/1b clinical trial in July 2020, which was the first time one of our product candidates had been tested in humans. As a result, we have limited infrastructure, experience conducting clinical trials as a company and regulatory interactions, and cannot be certain that our current or planned clinical trials will be completed on time, if at all, that our planned development programs would be acceptable to the FDA or other comparable foreign regulatory authorities, or that, if approval is obtained, such product candidates can be successfully commercialized.

Because of the early stage of development of our products candidates, our ability to eventually generate significant revenues from product sales will depend on a number of factors, including:

- successful completion of additional preclinical studies;
- submission of our INDs or other regulatory applications to allow for initiation of our planned clinical trials or future clinical trials and authorizations from regulators to initiate clinical studies;
- successful enrollment in, and completion of, clinical trials and achieving positive results from the trials;

- demonstrating a risk-benefit profile acceptable to regulatory authorities;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing manufacturing capabilities or arrangements with third-party manufacturers for clinical supply and, if and when approved, for commercial supply;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products, if and when approved, whether alone or in combination with others;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- developing and implementing marketing and reimbursement strategies;
- obtaining and maintaining third-party coverage and adequate reimbursement;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our product candidates;
- the ability to obtain clearance or approval of companion diagnostic tests, on a timely basis, or at all; and
- maintaining a continued acceptable safety profile of any product following approval, if any.

If we do not achieve one or more of these requirements in a timely manner, we could experience significant delays or an inability to successfully commercialize our product candidates, which would materially harm our business.

Preclinical and clinical development is a lengthy, expensive and uncertain process. The results of preclinical studies and early clinical trials are not always predictive of future results. Any product candidate that we advance into clinical trials, including SBT6050, may not achieve favorable results in later clinical trials, if any, or receive marketing approval.

The research and development of drugs and biological products is extremely risky. Only a small percentage of product candidates that enter the development process ever receive marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidates in humans. Clinical testing is expensive, can take many years to complete and its outcome is uncertain. We may face unforeseen challenges in our product candidate development strategy, and we can provide no assurances that we will ultimately be successful in our current and future clinical trials or that our product candidates will be able to receive regulatory approval. The results of preclinical studies and early clinical trials of our product candidates and other products, even those with the same or similar mechanisms of action, may not be predictive of the results of later-stage clinical trials. For example, it is not uncommon for product candidates to exhibit unforeseen safety or efficacy issues when tested in humans despite promising results in preclinical animal models. In particular, while we have conducted preclinical studies of SBT6050, we do not know how SBT6050 will perform in the ongoing Phase 1/1b clinical trial or in future clinical trials, whether any initial tumor responses that may be observed will be durable or whether adverse events will arise over time. Future results of preclinical and clinical testing of our product candidates are also less certain due to the novel and relatively untested nature of our approach to TLR8 and related platform technologies. In general, clinical trial failure may result from a multitude of factors including flaws in study design, dose selection, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits. As such, failure in clinical trials can occur at any stage of testing. A number of companies in the biopharmaceutical industry have suffered setbacks in the advancement of clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials.

Prior to obtaining approval to commercialize any product candidate in the United States or abroad, we must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidate is safe and effective for its intended uses. Results from preclinical studies and clinical trials can be interpreted in different ways. Even if we believe that the preclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. The FDA may also require us to conduct additional preclinical studies or clinical trials for our product candidates either prior to or post-approval, or it may object to elements of our clinical development program, requiring their alteration.

If the results of our clinical trials are inconclusive or if there are safety concerns or adverse events associated with our product candidates, we may:

- incur unplanned costs;
- be delayed in or prevented from continuing clinical development and obtaining marketing approval for our product candidates;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings including boxed warnings;
- be subject to changes or limitations in the way the product is administered;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- have regulatory authorities withdraw their approval of the product or impose restrictions on its distribution in the form of a modified Risk Evaluation and Mitigation Strategy (REMS);
- be subject to the addition of labeling statements, such as warnings or contraindications;
- be sued; or
- experience damage to our reputation.

Treatment of cancer patients with our oncology product candidates may be used in combination with other cancer drugs, such as other immune-oncology agents, monoclonal antibodies or other protein-based drugs or small molecule anti-cancer agent such as targeted agents or chemotherapy, which can cause side effects or adverse events that are unrelated to our product candidate but may still impact the success of our clinical trials. Additionally, our product candidates could potentially cause adverse events. The inclusion of critically ill patients in our clinical trials may result in deaths or other adverse medical events due to other therapies or medications that such patients may be using. As described above, any of these events could prevent us from obtaining regulatory approval or achieving or maintaining market acceptance of our product candidates and impair our ability to commercialize our products. Because all of our product candidates are derived from our platform technologies, a clinical failure of one of our product candidates may also increase the actual or perceived likelihood that our other product candidates will experience similar failures.

Of the large number of products in development, only a small percentage successfully complete the FDA or comparable foreign regulatory authorities' approval processes and are commercialized. The lengthy approval process as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval to market our product candidates, which would significantly harm our business, financial condition, results of operations and prospects.

Even if we eventually complete clinical testing and receive approval of a biologics license application (BLA) or foreign marketing application for our product candidates, the FDA or the comparable foreign regulatory authorities may grant approval contingent on the performance of costly additional clinical trials, including post-market clinical trials. The FDA or the comparable foreign regulatory authorities also may approve a product candidate for a more limited indication or patient population than we originally request, and the FDA or comparable foreign regulatory authorities may not approve the labeling that we believe is necessary or desirable for the successful commercialization of a product candidate. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of that product candidate and would adversely impact our business and prospects.

In addition, the FDA or comparable foreign regulatory authorities may change their policies, adopt additional regulations or revise existing regulations or take other actions, which may prevent or delay approval of our future product candidates under development on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain approvals, increase the costs of compliance or restrict our ability to maintain any marketing authorizations we may have obtained.

Our product candidates are based on novel technologies, which make it difficult to predict the timing, results and cost of product candidate development and likelihood of obtaining regulatory approval.

We have concentrated our research and development efforts on product candidates using our platform technologies, and our future success depends on the successful development of this approach. We have not yet succeeded and may not succeed in demonstrating efficacy and safety for any product candidates based on our platform technologies in clinical trials or in obtaining marketing approval thereafter, and use of our platform technologies may not ever result in marketable products. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process or transferring that process to commercial partners or establishing our own commercial manufacturing capabilities, which may prevent us from completing our clinical trials or commercializing any products on a timely or profitable basis, if at all.

Our product candidates are targeted to treat tumors that express specific antigens at certain levels, such as those that express moderate or high levels of Her2 or Nectin4. This requires diagnostic assays that may be subject to scrutiny by regulatory authorities. We may not be successful in developing diagnostic assays or securing the assays for use. If we are successful in securing a diagnostic assay for a specific antigen, it may be difficult to enroll patients with tumors that have the required level of antigen expression.

In addition, the clinical trial requirements of the FDA, EMA and other regulatory agencies such as Australia and the criteria these regulators use to determine the safety and efficacy of a product candidate vary substantially according to the type, complexity, novelty and intended use and market of the potential products. The regulatory approval process for novel product candidates such as ours can be more expensive and take longer than for other, better known or extensively studied pharmaceutical or other product candidates.

The immuno-oncology industry is also rapidly developing, and our competitors may introduce new technologies improving the immune response to cancer that render our technologies obsolete or less attractive. New technology could emerge at any point in the development cycle of our product candidates.

The TLR field is also rapidly evolving and as competitors use or develop alternative TLR technologies, any failures of such technologies could adversely impact our programs. For example,

companies are developing TLR7, TLR7/8 and TLR9 agonists, some of which are conjugated to monoclonal antibodies. Regardless of our belief that our approach to activating the innate immune system has advantages, issues encountered with other TLR programs will create a negative perception of or increase scrutiny for our technologies and product candidates.

We depend on enrollment of patients in our clinical trials for our product candidates. If we experience delays or difficulties enrolling in our clinical trials, our research and development efforts and business, financial condition and results of operations could be materially adversely affected.

Successful and timely completion of clinical trials will require that we enroll a sufficient number of patient candidates. These trials and other trials we conduct may be subject to delays as a result of patient enrollment taking longer than anticipated, patient withdrawal or adverse events. For example, we have an ongoing Phase 1/1b clinical trial for our lead product candidate, SBT6050, which could generate adverse events that may cause us to delay the trial or halt further development. As of September 30, 2020, four patients were enrolled in the clinical trial, a very small number relative to the number of patients required for a full clinical development program. As has been described with other immune agonists administered in the presence of ADA in preclinical species, anaphylaxis upon repeat intravenous dosing with SBT6050 was observed in animal models. While our product candidate in humans is administered by the subcutaneous route of administration, If similar adverse events were to manifest, that could adversely impact our enrollment.

Our clinical trials will likely compete with other clinical trials that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites.

Patient enrollment depends on many factors, including the size and nature of the patient population, the severity of the disease under investigation, eligibility criteria for the trial, the proximity of patients to clinical sites, the design of the clinical protocol, the ability to obtain and maintain patient consents, the ability to recruit clinical trial investigators with the appropriate competencies and experience, the risk that patients enrolled in clinical trials will drop out of the trials before the administration of our product candidates or trial completion, the availability of competing clinical trials, the availability of new drugs approved for the indication the clinical trial is investigating, and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies. These factors may make it difficult for us to enroll enough patients to complete our clinical trials in a timely and cost-effective manner. Delays in the completion of any clinical trial of our product candidates will increase our costs, slow down our product candidate development and approval process and delay or potentially jeopardize our ability to commence product sales and generate revenue. In addition, some of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

Serious adverse events, undesirable side effects or other unexpected properties of our product candidates may be identified during development or after approval, which could lead to the discontinuation of our clinical development programs, refusal by regulatory authorities to approve our product candidates or, if discovered following marketing approval, revocation of marketing authorizations or limitations on the use of our product candidates thereby limiting the commercial potential of such product candidate.

To date, we have only tested SBT6050 in a limited number of patients with cancer and these clinical trial participants have only been observed for a limited period of time after dosing. As we continue developing our product candidates and initiate clinical trials of our additional product candidates, serious adverse events (SAEs), undesirable side effects, relapse of disease or unexpected characteristics may emerge causing us to abandon these product candidates or limit their development to more narrow uses or subpopulations in which the SAEs or undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective or in which efficacy is more pronounced or durable. For example, a significant risk observed with systemic administration of motolimod, an unconjugated TLR8 small molecule agonist, was the induction of significant injection site reactions (ISR), and cytokine-induced flu-like symptoms that prevented dose-escalation. Should we observe severe cases of ISR and cytokine release syndrome in our clinical trials or identify other undesirable side effects or other unexpected findings depending on their severity, our trials could be delayed or even stopped and our development programs may be halted entirely.

Our TLR8 agonist containing product candidates, including SBT6050, activate dendritic cells among other innate immune cells. As a result, significant anti-drug antibodies (ADA) could develop that neutralize the effects of SBT6050 by reducing exposure. The development of ADA could also trigger hypersensitivity reactions that manifest as serious adverse events. For example, as has been described with other immune agonists administered in the presence of ADA in preclinical species, anaphylaxis upon repeat intravenous dosing with SBT6050 was observed. As a result, we have modified our dosing to subcutaneous; however, if patients experience adverse events (AEs), including anaphylaxis, our trials could be delayed or stopped and our development programs may be halted entirely if this is observed during clinical development. Even if ADAs are not detected in the early clinical trials, they may be detected after product launch and may significantly reduce the commercial potential or even result in the product being pulled from the market.

Even if our product candidates initially show promise in early clinical trials, the side effects of biological products are frequently only detectable after they are tested in larger, longer and more extensive clinical trials or, in some cases, after they are made available to patients on a commercial scale after approval. Sometimes, it can be difficult to determine if the serious adverse or unexpected side effects were caused by the product candidate or another factor, especially in oncology subjects who may suffer from other medical conditions and be taking other medications. If serious adverse or unexpected side effects are identified during development or after approval and are determined to be attributed to our product candidate, we may be required to develop a REMS to ensure that the benefits of treatment with such product candidate outweigh the risks for each potential patient, which may include, among other things, a communication plan to health care practitioners, patient education, extensive patient monitoring or distribution systems and processes that are highly controlled, restrictive and more costly than what is typical for the industry. Product-related side effects could also result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

In addition, if one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects or ADA caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may suspend, withdraw or limit approvals of such product, or seek an injunction against its manufacture or distribution;

- regulatory authorities may require additional warnings on the label, including “boxed” warnings, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way a product is administered or conduct additional clinical trials;
- the product may become less competitive, and our reputation may suffer;
- we may decide to remove the product from the marketplace; and
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties.

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

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

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

We may encounter substantial delays in our clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the

product candidate for its intended indications. Clinical trials are expensive, time-consuming and uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. For example, we cannot begin our planned Phase 1 clinical trials for SBT6290, our Nectin4-targeted product candidate until we complete certain preclinical development and submit and receive authorization to proceed under INDs. We also dosed the first patient in a Phase 1/1b clinical trial for SBT6050 in July 2020 and cannot predict how our technology may work in solid tumor indications until we have completed dose-escalation and dose expansion. Finally, the COVID-19 pandemic has impacted clinical trials broadly, including our own with some sites pausing or slowing enrollment.

A failure of one or more clinical trials can occur at any stage of testing. Events that may prevent successful or timely completion of clinical development include:

- delays in reaching a consensus with regulatory authorities on trial design or implementation of any future potential collaborators', clinical trials;
- delays in reaching agreement or failing to agree on acceptable terms with prospective CROs and clinical trial sites;

  delays in opening sites, including delays in obtaining required approvals from institutional review boards (IRBs) and recruiting suitable patients to participate in our clinical trials
- delays in enrollment due to travel or quarantine policies, or other factors, related to COVID-19, other pandemics or other events outside our control;
- failure by our CROs, other third parties or us to adhere to the trial protocol or applicable regulatory requirements, including the FDA's good clinical practices (GCPs) or applicable regulatory requirements in other countries;
- regulatory authorities may find deficiencies in the manufacturing processes or facilities of third-party manufacturers with which we or any of our potential future collaborators contract for clinical and commercial supplies;
- delays in the testing, validation, manufacturing and delivery of our product candidates to the treatment sites, including due to a facility manufacturing any of our product candidates or any of their components being ordered by the FDA or comparable foreign regulatory authorities to temporarily or permanently shut down due to violations of current good manufacturing practices (cGMP) regulations or other applicable requirements, or infections or cross-contaminations of product candidates in the manufacturing process;
- imposition of a clinical hold by IRBs or regulatory authorities as a result of a serious adverse event, concerns with a class of product candidates, after an inspection of our clinical trial operations or trial sites, or for other reasons;
- suspensions or terminations by us, the IRBs of the institutions at which such trials are being conducted, by the Safety Review Committee or Data Safety Monitoring Board, for such trial or by regulatory authorities due to a number of factors, including those described above;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- occurrence of serious adverse events associated with the product candidate that are viewed to outweigh its potential benefits or the discovery of other safety issues;
- lack of adequate funding; or
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols.

For instance, the ongoing COVID-19 pandemic and the measures taken by the governmental authorities could disrupt the supply chain and the manufacture or shipment of drug substances and

finished drug products for our product candidates for use in our research and clinical trials, delay, limit or prevent our employees and CROs from continuing research and development activities, impede the ability of patients to enroll or continue in clinical trials, or impede testing, monitoring, data collection and analysis or other related activities, any of which could delay our clinical trials and increase our development costs, and have a material adverse effect on our business, financial condition and results of operations.

Our drug product is shipped from overseas and the ongoing COVID-19 pandemic and measures taken by the governmental authorities could disrupt the timing and therefore our clinical trials may not proceed or may be delayed, interrupted, or stopped as a result.

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

Additionally, if the results of our clinical trials are inconclusive or if there are safety concerns or serious adverse events associated with our product candidates, we may:

- be delayed in obtaining marketing approval, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements;
- be required to perform additional clinical trials to support approval or be subject to additional post- marketing testing requirements;
- have regulatory authorities withdraw, or suspend, their approval of the drug or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy, or REMS;
- be subject to the addition of labeling statements, such as warnings or contraindications;
- be sued; or
- experience damage to our reputation.

Our development costs will also increase if we experience delays in testing or obtaining marketing approvals. We do not know whether any of our preclinical studies or clinical trials will begin as planned, need to be restructured or be completed on schedule, if at all. Any delay in, or termination of, our clinical trials will delay the submission of a BLA to the FDA or other similar applications with other relevant foreign regulatory authorities and, ultimately, our ability to commercialize our product candidates, if approved, and generate product revenue. Even if our clinical trials are completed as planned, we cannot be certain that their results will support our claims for differentiation or the effectiveness or safety of our product candidate. The FDA has substantial discretion in the review and approval process and may disagree that our data support the claims we propose.

Moreover, principal investigators for our clinical trials may serve and have served as scientific advisors or consultants to us from time to time and receive compensation in connection with such

services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authority may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial. The FDA or comparable foreign regulatory authority may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authority, as the case may be, and may ultimately lead to the denial of marketing approval of our product candidates.

Further, we, the FDA or an institutional review board may suspend our clinical trials at any time if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, including the FDA's current GCP, regulations, that we are exposing participants to unacceptable health risks or if the FDA finds deficiencies in our INDs or the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of our product candidates could be negatively impacted, and our ability to generate revenues from our product candidates may be delayed or eliminated entirely.

We may seek Breakthrough Therapy designation or Fast Track designation by the FDA for one or more of our product candidates, but we may not receive such designation, and even if we do, such designation may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek Breakthrough Therapy or Fast Track designation for some of our product candidates. If a product candidate is intended for the treatment of a serious or life-threatening condition and clinical or preclinical data demonstrate the potential to address unmet medical needs for this condition, the product candidate may be eligible for Fast Track Designation. The benefits of fast track designation include more frequent meetings with FDA to discuss the drug's development plan and ensure collection of appropriate data needed to support drug approval, more frequent written communication from FDA about such things as the design of the proposed clinical trials and use of biomarkers, eligibility for Accelerated Approval and Priority Review, if relevant criteria are met, and rolling review, which means that a drug company can submit completed sections of its BLA for review by FDA, rather than waiting until every section of the BLA is completed before the entire application can be reviewed. BLA review usually does not begin until the entire application has been submitted to the FDA.

A breakthrough therapy is defined as a drug or biologic that is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Drugs or biologics designated as breakthrough therapies by the FDA may be eligible for all features of Fast Track designation, intensive guidance on an efficient drug development program, beginning as early as Phase 1, and organizational commitment involving senior managers at FDA.

The FDA has broad discretion whether or not to grant these designations, so even if we believe a particular product candidate is eligible, we cannot assure you that the FDA would decide to grant it. Even if we have obtained Fast Track Designation and/or Breakthrough Therapy Designation for one or more of our product candidates, we may not experience a faster development process, review or approval compared to non-expedited FDA review procedures. In addition, the FDA may withdraw Fast Track Designation or Breakthrough Therapy Designation if it believes that the designation is no longer

supported. These designations do not guarantee qualification for the FDA's priority review procedures or a faster review or approval process.

If we are required by the FDA to obtain approval of a companion diagnostic test in connection with approval of any of our product candidates, and we do not obtain or face delays in obtaining FDA approval of a diagnostic device, we will not be able to commercialize such product candidate and our ability to generate revenue will be materially impaired.

If safe and effective use of any of our product candidates depends on an in vitro diagnostic that is not otherwise commercially available, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves our product candidates, if at all. The process of obtaining or creating such diagnostic is time consuming and costly.

Companion diagnostics are developed in conjunction with clinical programs for the associated product and are subject to regulation as medical devices by the FDA and comparable regulatory authorities. The approval of a companion diagnostic as part of the therapeutic product's labeling limits the use of the therapeutic product to only those patients who express the specific genetic alteration that the companion diagnostic was developed to detect. If the FDA or a comparable regulatory authority requires approval of a companion diagnostic for any of our product candidates, whether before or after it obtains marketing approval, we, and/or future collaborators, may encounter difficulties in developing and obtaining approval for such product candidate. Any delay or failure by us or third-party collaborators to develop or obtain regulatory approval of a companion diagnostic could delay or prevent approval or continued marketing of such product candidate.

We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process for the companion diagnostic or in transferring that process to commercial partners or negotiating insurance reimbursement plans, all of which may prevent us from completing our clinical trials or commercializing our product candidate, if approved, on a timely or profitable basis, if at all.

Even if we obtain regulatory approval for our product candidates, they will remain subject to ongoing regulatory oversight. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions on marketing or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our product candidates, when and if any of them are approved

Even if we obtain regulatory approval for any of our product candidates, they will be subject to extensive and ongoing regulatory requirements for manufacturing, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, sampling and record-keeping. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP regulations, as well as GCPs for any clinical trials that we conduct post-approval, all of which may result in significant expense and limit our ability to commercialize such products. In addition, any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a REMS as a condition of approval of our product candidates, which could include requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Such regulatory requirements may differ from country to country depending on where we have received regulatory approval.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability. Moreover, if there are changes in the application of legislation or regulatory policies, or if problems are discovered with a product or our manufacture of a product, or if we or one of our distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include:

- issuing warning or untitled letters;
- mandating modifications to promotional materials or require us to provide corrective information to healthcare practitioners, or require other restrictions on the labeling or marketing of such products;
- seeking an injunction or imposing civil or criminal penalties or monetary fines;
- suspension or imposition of restrictions on operations, including product manufacturing;
- seizure or detention of products, refusal to permit the import or export of products or request that we initiate a product recall;
- suspension, modification or withdrawal of our marketing authorizations;
- suspension of any ongoing clinical trials;
- refusal to approve pending applications or supplements to applications submitted by us;
- refusal to permit the import or export of products; or
- requiring us to conduct additional clinical trials, change our product labeling or submit additional applications for marketing authorization.

Moreover, the FDA and other regulatory authorities strictly regulates the promotional claims that may be made about biologic products. In particular, a product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant civil, criminal and administrative penalties.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates and harm our business, financial condition, results of operations and prospects.

If any of these events occurs, our ability to sell such product may be impaired, and we may incur substantial additional expense to comply with regulatory requirements, which could harm our business, financial condition, results of operations and prospects.

The market opportunities for our product candidates may be relatively small as it will be limited to those patients who are ineligible for or have failed prior treatments and our estimates of the prevalence of our target patient populations may be inaccurate.

Cancer therapies are sometimes characterized as first line, second line, or third line, and the FDA customarily approves new therapies only for a second line or later lines of use. When cancer is detected early enough, first line therapy is sometimes adequate to cure the cancer or prolong life

without a cure. Whenever first line therapies, usually chemotherapy, antibody drugs, tumor-targeted small molecules, hormone therapy, radiation therapy, surgery or a combination of these, proves unsuccessful, second line therapy may be administered. Second line therapies often consist of more chemotherapy, radiation, antibody drugs, tumor-targeted small molecules or a combination of these. Third line therapies can include chemotherapy, antibody drugs and small molecule tumor-targeted therapies, more invasive forms of surgery and new technologies. We expect to initially seek approval of our product candidates in most instances at least as a second line therapy. Subsequently, depending on the nature of the clinical data and experience with any approved products or product candidates, if any, we may pursue approval as an earlier line therapy and potentially as a first line therapy. But there is no guarantee that our product candidates, even if approved as a second or subsequent line of therapy, would be approved for an earlier line of therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

Our projections of both the number of people who have HER2 expression, are based on our assumptions and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new therapies may change the estimated incidence or prevalence of the cancers that we are targeting. Consequently, even if our product candidates are approved for a second or third line of therapy, the number of patients who may be eligible for treatment with our product candidates may turn out to be much lower than expected. In addition, we have not yet conducted market research to determine how treating physicians would expect to prescribe a product that is approved for multiple tumor types if there are different lines of approved therapies for each such tumor type.

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the global COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most foreign inspections of manufacturing facilities and products, and on March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020 the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all regulatory activities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory

activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

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

Because we have limited financial and managerial resources, we must prioritize our research programs and will need to focus our discovery and development on select product candidates and indications. Correctly prioritizing our research and development activities is particularly important for us due to the breadth of potential product candidates and indications that we believe could be pursued using our platform technologies. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may also relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We may not be successful in our efforts to identify or discover additional product candidates in the future.

Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for a number of reasons, including:

- our inability to design such product candidates with the properties that we desire; or
- potential product candidates may, on further study, be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance.

Research programs to identify new product candidates require substantial technical, financial and human resources. If we are unable to identify suitable additional candidates for preclinical and clinical development, our opportunities to successfully develop and commercialize therapeutic products will be limited.

Risks Related to Manufacturing, Commercialization and Reliance on Third Parties

We rely on third parties to conduct, supervise, and monitor our clinical trials and perform some of our research and preclinical studies. If these third parties do not satisfactorily carry out their contractual duties or fail to meet expected deadlines, our development programs may be delayed or subject to increased costs, each of which may have an adverse effect on our business and prospects.

We do not have the ability to conduct all aspects of our preclinical testing or clinical trials ourselves. As a result, we are and expect to remain dependent on third parties to conduct our preclinical studies, including GLP toxicology studies and ongoing Phase 1/1b clinical trial and any future clinical trials of our product candidates. Specifically, CROs that manage preclinical studies, GLP toxicology studies and our clinical studies as well as clinical investigators, and consultants play a significant role in the conduct of our preclinical studies and clinical trials and the subsequent collection

and analysis of data. The timing of the initiation and completion of these studies and trials will therefore be partially controlled by such third parties and may result in delays to our development programs. Nevertheless, we are responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with the applicable protocol, legal requirements, and scientific standards, and our reliance on the CROs and other third parties does not relieve us of our regulatory responsibilities. We and our CROs are required to comply with GLP and GCP requirements, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these GLP and GCP requirements through periodic inspections of preclinical study sites, trial sponsors, clinical trial investigators and clinical trial sites. If we or any of our CROs or clinical trial sites fail to comply with applicable GLP or GCP requirements, the data generated in our preclinical studies and clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional preclinical or clinical trials before approving our marketing applications. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to stop and/or repeat clinical trials, which would delay the marketing approval process.

There is no guarantee that any such CROs, clinical trial investigators or other third parties on which we rely will devote adequate time and resources to our development activities or perform as contractually required. These risks are heightened as a result of the efforts of government agencies and the CROs themselves to limit the spread of COVID-19, including quarantines and shelter-in-place orders. If any of these third parties fail to meet expected deadlines, adhere to our clinical protocols or meet regulatory requirements, otherwise performs in a substandard manner, or terminates its engagement with us, the timelines for our development programs may be extended or delayed or our development activities may be suspended or terminated. If any of our clinical trial sites terminates for any reason, we may experience the loss of follow-up information on subjects enrolled in such clinical trials unless we are able to transfer those subjects to another qualified clinical trial site, which may be difficult or impossible. In addition, clinical trial investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or the FDA or any comparable foreign regulatory authority concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of any marketing application we submit by the FDA or any comparable foreign regulatory authority. Any such delay or rejection could prevent us from commercializing our product candidates.

Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our products.

We contract with third parties for the manufacturing and supply of certain of our product candidates for use in preclinical testing and clinical trials, which supply may become limited or interrupted or may not be of satisfactory quality and quantity.

We do not have any manufacturing facilities. We produce in our laboratory relatively small quantities of product for evaluation in our research programs. We rely on third parties for the manufacture of a portion of our product candidates for preclinical testing and all of our product

candidates for clinical testing and we will continue to rely on such third parties for commercial manufacture if any of our product candidates are approved. We currently have limited manufacturing arrangements and expect that each of our product candidates, including SBT6050, will only be covered by single source suppliers for the foreseeable future. This reliance increases the risk that we will not have sufficient quantities of our product candidates or products, if approved, or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

Furthermore, all entities involved in the preparation of therapeutics for clinical trials or commercial sale, including our existing contract manufacturers for our product candidates, are subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale or used in clinical trials must be manufactured in accordance with cGMP requirements. These regulations govern manufacturing processes and procedures, including record keeping, and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of contaminants, or to inadvertent changes in the properties or stability of our product candidates that may not be detectable in final product testing. We or our contract manufacturers must supply all necessary documentation in support of a BLA on a timely basis and must adhere to the FDA's Good Laboratory Practice regulations and cGMP regulations enforced by the FDA through its facilities inspection program. Comparable foreign regulatory authorities may require compliance with similar requirements. The facilities and quality systems of our third-party contract manufacturers must pass a pre-approval inspection for compliance with the applicable regulations as a condition of marketing approval of our product candidates. We do not control the manufacturing activities of, and are completely dependent on, our contract manufacturers for compliance with cGMP regulations.

In the event that any of our manufacturers fails to comply with such requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, including due to the impact of the COVID-19 pandemic, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third-party, which we may not be able to do on commercially reasonable terms, if at all. In particular, any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third-party and a feasible alternative may not exist. In addition, certain of our product candidates and our own proprietary methods have never been produced or implemented outside of our company, and we may therefore experience delays to our development programs if and when we attempt to establish new third-party manufacturing arrangements for these product candidates or methods. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third-party manufacture our product candidates. If we are required to or voluntarily change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines and that the product produced is equivalent to that produced in a prior facility. The delays associated with the verification of a new manufacturer and equivalent product could negatively affect our ability to develop product candidates in a timely manner or within budget.

Our or a third-party's failure to execute on our manufacturing requirements, do so on commercially reasonable terms and timelines and comply with cGMP requirements could adversely affect our business in a number of ways, including:

- inability to meet our product specifications and quality requirements consistently;

- an inability to initiate or continue clinical trials of our product candidates under development;
- delay in submitting regulatory applications, or receiving marketing approvals, for our product candidates, if at all;
- loss of the cooperation of future collaborators;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- requirements to cease development or to recall batches of our product candidates; and
- in the event of approval to market and commercialize our product candidates, an inability to meet commercial demands for our product or any other future product candidates.

Manufacturing antibody drug conjugate products is complex and our third-party manufacturers may encounter difficulties in production. If any of our third-party manufacturers encounter such difficulties, our ability to provide supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or prevented.

Manufacturing antibody drug conjugate products is complex and require the use of innovative technologies to handle living cells. Manufacturing these products requires facilities specifically designed for and validated for this purpose and sophisticated quality assurance and quality control procedures are necessary. Slight deviations anywhere in the manufacturing process, including filling, labeling, packaging, storage and shipping and quality control and testing, may result in lot failures, product recalls or spoilage. When changes are made to the manufacturing process, we may be required to provide preclinical and clinical data showing the comparable identity, strength, quality, purity or potency of the products before and after such changes. If microbial, viral or other contaminations are discovered at manufacturing facilities, such facilities may need to be closed for an extended period of time to investigate and remedy the contamination, which could delay clinical trials and adversely harm our business. The use of biologically derived ingredients can also lead to allegations of harm, including infections or allergic reactions, or closure of product facilities due to possible contamination.

In addition, there are risks associated with large scale manufacturing for clinical trials or commercial scale including, among others, cost overruns, potential problems with process scale-up, process reproducibility, stability issues, compliance with good manufacturing practices, lot consistency, significant lead times and timely availability of raw materials. Even if we obtain marketing approval for any of our product candidates, there is no assurance that we or our manufacturers will be able to manufacture the approved product to specifications acceptable to the FDA or other comparable foreign regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential commercial launch of the product or to meet potential future demand. If our manufacturers are unable to produce sufficient quantities for clinical trials or for commercialization, our development and commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and growth prospects.

Due to the early nature of our product candidates, the drug product may not be stable over time causing changes to be made to the manufacturing or storage process which may result in delays or stopping the development of the product candidate.

Changes in methods of product candidate manufacturing may result in additional costs or delays.

As product candidates progress through preclinical to late-stage clinical trials to marketing approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize yield, manufacturing

batch size, change drug product dosage form, minimize costs and achieve consistent quality and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commercialize our product candidates and generate revenue.

Any approved products may fail to achieve the degree of market acceptance by physicians, patients, hospitals, cancer treatment centers, healthcare payors and others in the medical community necessary for commercial success.

If any of our product candidates receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well established in the medical community, and physicians may continue to rely on these treatments. Most of our product candidates target mechanisms for which there are limited or no currently approved products, which may result in slower adoption by physicians, patients and payors. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenue and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- our ability to offer our products for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support; and
- the prevalence and severity of any side effects.

We may not be able to successfully commercialize our product candidates, if approved, due to unfavorable pricing regulations or third-party coverage and reimbursement policies, which could make it difficult for us to sell our product candidates profitably.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time-consuming and costly process, with uncertain results, that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our products to the payor. There may be significant delays in obtaining such coverage and reimbursement for newly approved products, and coverage may not be available, or may be more limited than the purposes for which the product is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a product will be paid for in all cases or at a rate that covers our costs, including research, development, intellectual property, manufacture, sale and distribution expenses. Interim reimbursement levels for new products, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the product and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost products and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors, by any future laws limiting drug prices and by any future relaxation of laws that presently restrict imports of product from countries where they may be sold at lower prices than in the United States.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, there is no uniform policy among third-party payors for coverage and reimbursement. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting reimbursement policies, but also have their own methods and approval process apart from Medicare coverage and reimbursement determinations. Therefore, one third-party payor's determination to provide coverage for a product does not assure that other payors will also provide coverage for the product.

Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

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

We cannot be sure that reimbursement will be available for any product that we commercialize and, if coverage and reimbursement are available, what the level of reimbursement will be. Obtaining reimbursement for our products may be particularly difficult because of the higher prices often associated with branded therapeutics and therapeutics administered under the supervision of a physician. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

Reimbursement may impact the demand for, and the price of, any product for which we obtain marketing approval. Even if we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with those medications. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement are critical to a new product's acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new products when more established or lower cost therapeutic alternatives are already available or subsequently become available.

For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself may or may not be available. Instead, the hospital or administering physician may be reimbursed only for providing the treatment or procedure in which our product is used. Further, from time to time, CMS revises the reimbursement systems used to reimburse health care providers, including the Medicare Physician Fee Schedule and Hospital Outpatient Prospective Payment System, which may result in reduced Medicare payments.

We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription medicines, medical devices and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to

the successful commercialization of new products. Further, the adoption and implementation of any future governmental cost containment or other health reform initiative may result in additional downward pressure on the price that we may receive for any approved product.

Additionally, we or collaborators may develop companion diagnostic tests for use with our product candidates. We, or our collaborators, will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we may seek for our product candidates. While we have not yet developed any companion diagnostic tests for our product candidates, if we do, there is significant uncertainty regarding our ability to obtain coverage and adequate reimbursement for the same reasons applicable to our product candidates.

Outside of the United States, many countries require approval of the sale price of a product before it can be marketed, and the pricing review period only begins after marketing or product licensing approval is granted. To obtain reimbursement or pricing approval in some of these countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenue, if any, we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if such product candidates obtain marketing approval.

Our product candidates for which we intend to seek approval as biologic products may face competition sooner than anticipated.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the Affordable Care Act) signed into law on March 23, 2010, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 (BPCIA) which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product.

We believe that any of our product candidates approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action, court decisions or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

If any approved products are subject to biosimilar competition sooner than we expect, we will face significant pricing pressure and our commercial opportunity will be limited.

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

We are focused initially on the development of treatments for cancer. Our projections of addressable patient populations that have the potential to benefit from treatment with our product candidates are based on estimates. If any of our estimates are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we rely on third parties to research and develop and to manufacture our product candidates, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, consulting agreements or other similar agreements with our advisors, employees, third-party contractors and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, including our trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's independent discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors and consultants to publish data potentially relating to our trade secrets, although our agreements may contain certain limited publication rights. For example, any academic institution that we may collaborate with will likely expect to be granted rights to publish data arising out of such collaboration and any joint research and development programs may require us to share trade secrets under the terms of our research and development or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements with third parties, independent development or publication of information by any of our third-party collaborators. A competitor's discovery of our trade secrets would impair our competitive position and have an adverse impact on our business.

If any of our product candidates are approved for marketing and commercialization and we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market our product candidates, we will be unable to successfully commercialize our product candidates if and when they are approved.

We have no sales, marketing or distribution capabilities or experience. To achieve commercial success for any approved product for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization, which would be expensive and time consuming, or outsource these functions to other third parties. In the future, we may choose to build a focused sales and marketing infrastructure to sell, or participate in sales activities with our collaborators for, some of our product candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and

training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize future products on our own include:

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

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenue or the profitability of these product revenue to us are likely to be lower than if we were to market and sell any products that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties and we cannot assure you that such third parties will establish adequate sales and distribution capabilities or devote the necessary resources and attention to sell and market any future products effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Even if we obtain FDA approval of any of our product candidates, we may never obtain approval or commercialize such products outside of the United States, which would limit our ability to realize their full market potential.

In order to market any products outside of the United States, we must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval procedures vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking foreign regulatory approvals could result in significant delays, difficulties and costs for us and may require additional preclinical studies or clinical trials which would be costly and time consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. Satisfying these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. In addition, our failure to obtain regulatory approval in any country may delay or have negative effects on the process for regulatory approval in other countries. We do not have any product candidates approved for sale in any jurisdiction, including international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, our ability to realize the full market potential of our products will be harmed.

Risks Related to Our In-Licenses and Other Strategic Agreements

We may not realize the benefits of any acquisitions, in-license or strategic alliances that we enter into.

We have entered into in-license agreements with multiple licensors and in the future may seek and form strategic alliances, create joint ventures or collaborations, or enter into acquisitions or additional licensing arrangements with third parties that we believe will complement or augment our existing technologies and product candidates.

These transactions can entail numerous operational and financial risks, including exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention in order to manage a collaboration or develop acquired products, product candidates or technologies, incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs, higher than expected collaboration, acquisition or integration costs, write-downs of assets or goodwill or impairment charges, increased amortization expenses, difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business, impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership and the inability to retain key employees of any acquired business. As a result, if we enter into acquisition or in-license agreements or strategic partnerships, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture, or if there are materially adverse impacts on our or the counterparty's operations resulting from COVID-19, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction or such other benefits that led us to enter into the arrangement.

We may wish to form collaborations in the future with respect to our product candidates, but may not be able to do so or to realize the potential benefits of such transactions, which may cause us to alter or delay our development and commercialization plans.

The development and potential commercialization of our product candidates will require substantial additional capital to fund expenses. We may, in the future, decide to collaborate with other biopharmaceutical companies for the development and potential commercialization of those product candidates, including in territories outside the United States or for certain indications. We will face significant competition in seeking appropriate collaborators. We may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy. If and when we collaborate with a third-party for development and commercialization of a product candidate, we can expect to relinquish some or all of the control over the future success of that product candidate to the third-party. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of our technologies, product candidates and market opportunities. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under any license agreements from entering into agreements on certain terms or at all with potential collaborators.

Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical

companies that have resulted in a reduced number of potential future collaborators and changes to the strategies of the combined company. As a result, we may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay one or more of our other development programs, delay the potential commercialization or reduce the scope of any planned sales or marketing activities for such product candidate, or increase our expenditures and undertake development, manufacturing or commercialization activities at our own expense. If we elect to increase our expenditures to fund development, manufacturing or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

Our product candidates may also require specific components to work effectively and efficiently, and rights to those components may be held by others. We may be unable to in-license any compositions, methods of use, processes or other third party intellectual property rights from third parties that we identify. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, which would harm our business. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology.

Risks Related to Our Industry and Business Operations

The COVID-19 pandemic could continue to adversely impact our business, including our clinical trials, supply chain and business development activities.

In December 2019, COVID-19, a novel strain of coronavirus, was first reported in Wuhan, China and has since become a global pandemic. The President of the United States declared the COVID-19 pandemic a national emergency and many states and municipalities in the Unites States have announced aggressive actions to reduce the spread of the disease, including limiting non-essential gatherings of people, ceasing all non-essential travel, ordering certain businesses and government agencies to cease non-essential operations at physical locations and issuing “shelter-in-place” orders which direct individuals to shelter at their places of residence (subject to limited exceptions). For example, on March 23, 2020, the Office of the Governor issued Proclamation 20-25, ordering all individuals in the State of Washington to stay at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors. As a result of the Washington state order, almost all of our non-lab based employees are currently telecommuting, which has impacted certain of our operations and may continue to do so over the long term. We may experience further limitations on employee resources in the future, including because of sickness of employees or their families. The effects of government actions and our own policies and those of third parties to reduce the spread of COVID-19 may negatively impact productivity and slow down or delay our ongoing and future clinical trials, preclinical studies and research and development activities, and may cause disruptions to our supply chain and impair our ability to execute our business development strategy. In the event that government authorities were to enhance current restrictions, our employees who currently are not telecommuting may no longer be able to access our facilities, and our operations may be further limited or curtailed.

As COVID-19 continues to spread, we may experience ongoing disruptions that could severely impact our business, preclinical studies and clinical trials, including:

- interruption or delays in our operations, which may impact our ability to conduct and produce preclinical results required for submission of an IND;

- delays in receiving approval from local regulatory authorities to initiate our planned clinical trials;
- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials, including interruption in global shipping that may affect the transport of clinical trial materials;
- changes in local regulations as part of a response to the COVID-19 outbreak which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue the clinical trials altogether;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others, or interruption of clinical trial subject visits and study procedures, the occurrence of which could affect the integrity of clinical trial data;
- interruption or delays in the operations of the FDA or other regulatory authorities, which may impact review and approval timelines;
- risk that participants enrolled in our clinical trials will acquire COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events; and
- refusal of the FDA to accept data from clinical trials in affected geographies.

These and other disruptions in our operations and the global economy could negatively impact our business, operating results and financial condition.

Our clinical trials have been, and may in the future be, affected by the COVID-19 pandemic. For example, some of our clinical trial sites have slowed down or stop further enrollment of new patients in clinical trials, denied access to site monitors and otherwise curtailed certain operations. Similarly, our ability to recruit and retain principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19, may be adversely impacted. Our ongoing or planned clinical trials may also be impacted by interruptions or delays in the operations of the FDA and comparable foreign regulatory agencies. We and our CROs have also made certain adjustments to the operation of our trials in an effort to ensure the monitoring and safety of patients and minimize risks to trial integrity during the pandemic in accordance with the guidance issued by the FDA on March 18, 2020 and updated on April 2, 2020, and may need to make further adjustments in the future. Many of these adjustments are new and untested, may not be effective, and may have unforeseen effects on the enrollment, progress and completion of these trials and the findings from these trials. These events could delay our clinical trials, increase the cost of completing our clinical trials and negatively impact the integrity, reliability or robustness of the data from our clinical trials.

In addition, quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, related to COVID-19 or other infectious diseases could impact personnel at third-party manufacturing facilities upon which we rely, or the availability or cost of materials, which could disrupt the supply chain for our product candidates. To the extent our suppliers and service providers are unable to comply with their

obligations under our agreements with them or they are otherwise unable to deliver or are delayed in delivering goods and services to us due to the COVID-19 pandemic, our ability to continue meeting clinical supply demand for our product candidates or otherwise advancing development of our product candidates may become impaired.

The spread of COVID-19 and actions taken to reduce its spread may also materially affect us economically. While the potential economic impact brought by, and the duration of, the COVID-19 pandemic may be difficult to assess or predict, there could be a significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity and financial position. In addition, the trading prices for other biopharmaceutical companies have been highly volatile as a result of the COVID-19 pandemic. As a result, we may face difficulties raising capital through sales of our common stock or such sales may be on unfavorable terms.

COVID-19 and actions taken to reduce its spread continue to rapidly evolve. The extent to which COVID-19 may impede the development of our product candidates, reduce the productivity of our employees, disrupt our supply chains, delay our clinical trials, reduce our access to capital or limit our business development activities, will depend on future developments, which are highly uncertain and cannot be predicted with confidence. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section, such as those relating to the timing and results of our clinical trials and our financing needs.

Our employees, principal investigators, 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, principal investigators, consultants and commercial partners. Misconduct by these parties could include intentional failures to comply with the regulations of the FDA and non-U.S. regulators, provide accurate information to the FDA and non-U.S. regulators, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, diminished profits and future earnings, additional reporting obligations and oversight if subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and the curtailment or restructuring of our operations.

We face potential product liability, and, if successful claims are brought against us, we may incur substantial liability and costs. If the use of our product candidates harms patients or is perceived to harm patients even when such harm is unrelated to our product candidates, our regulatory approvals could be revoked or otherwise negatively impacted and we could be subject to costly and damaging product liability claims.

The use of our product candidates in clinical trials and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. Product liability claims might be brought against us by consumers, healthcare providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. There is a risk that our product candidates may induce adverse events. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation;
- withdrawal of clinical trial participants;
- costs due to related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- the inability to commercialize our product candidates; and
- decreased demand for our product candidates, if approved for commercial sale.

We believe our product liability insurance coverage is sufficient in light of our current clinical programs; however, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in class action lawsuits based on drugs or medical treatments that had unanticipated adverse effects. A successful product liability claims, or series of claims brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business.

Patients with cancer and other diseases targeted by our product candidates are often already in severe and advanced stages of disease and have both known and unknown significant pre-existing and potentially life-threatening health risks. During the course of treatment, patients may suffer adverse events, including death, for reasons that may be related to our product candidates. Such events could subject us to costly litigation, require us to pay substantial amounts of money to injured patients, delay, negatively impact or end our opportunity to receive or maintain regulatory approval to market our products, or require us to suspend or abandon our commercialization efforts. Even in a circumstance in which we do not believe that an adverse event is related to our products, the investigation into the circumstance may be time-consuming or inconclusive. These investigations may interrupt our sales efforts, delay our regulatory approval process in other countries, or impact and limit the type of regulatory approvals our product candidates receive or maintain. As a result of these factors, a product liability claim, even if successfully defended, could have a material adverse effect on our business, financial condition or results of operations.

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

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, scientific and medical personnel. The loss of the services of any of our executive officers, other key employees, and other scientific and medical advisors, and our inability to find suitable replacements could result in delays in product development and harm our business.

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

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

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

As of September 30, 2020, we had 52 employees which represents an increase of 29 employees since January 1, 2019. As we advance our research and development programs, we may be required to further increase the number of our employees and the scope of our operations, particularly in the areas of clinical development, quality, regulatory affairs and, if any of our product candidates receives marketing approval, sales, marketing and distribution. To manage any future growth, we must:

- identify, recruit integrate, maintain and motivate additional qualified personnel;
- manage our development efforts effectively, including the initiation and conduct of clinical trials for our product candidates, both as monotherapy and in combination with other therapeutics; and
- improve our operational, financial and management controls, reporting systems and procedures.

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

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks

necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

We face substantial competition, which may result in others discovering, developing or commercializing products more quickly or marketing them more successfully than us.

The development and commercialization of new products is highly competitive. We largely compete in the segments of the pharmaceutical, biotechnology and other related markets that develop immunotherapies for the treatment of cancer. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, if ever, which could result in our competitors establishing a strong market position before we are able to enter the market or make our development more complicated. Moreover, with the proliferation of new drugs and therapies into oncology, we expect to face increasingly intense competition as new technologies become available. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. The highly competitive nature of and rapid technological changes in the biotechnology and pharmaceutical industries could render our product candidates or our technology obsolete, less competitive or uneconomical.

Other products in a similar class as some of our product candidates have already been approved and other products in the same class are further along in development. As more product candidates within a particular class of biopharmaceutical products proceed through clinical development to regulatory review and approval, the amount and type of clinical data that may be required by regulatory authorities may increase or change. Consequently, the results of our clinical trials for product candidates in those class will likely need to show a risk benefit profile that is competitive with or more favorable than those products and product candidates in order to obtain marketing approval or, if approved, a product label that is favorable for commercialization. If the risk benefit profile is not competitive with those products or product candidates, we may have developed a product that is not commercially viable, that we are not able to sell profitably or that is unable to achieve favorable pricing or reimbursement. In such circumstances, our future product revenue and financial condition would be materially and adversely affected.

Specifically, there are many companies pursuing a variety of approaches to TLR-directed therapies, including Apros Therapeutics, Ascendis, BioNTech, Bolt Biotherapeutics, Bristol Myers Squibb, Checkmate Pharmaceuticals, CureVac, Exicure, Galaderma, Gilead, Idera, Mologen, Nektar, Novartis, Primmune Therapeutics, Roche, Seven&Eight, Shanghai De Novo, Sumitomo Dainippon, TriSalus, and UroGen. Other companies using antibody-drug conjugates to target innate immune receptors include Actym Therapeutics, Mersana, and Takeda Pharmaceuticals. Immunotherapy and validated pathway approaches are further being pursued by many smaller biotechnology companies as well as larger pharmaceutical companies. We also face competition from validated pathway therapy treatments offered by companies such as AstraZeneca, Byondis, Daiichi Sankyo, Genentech, MacroGenics, Pieris, Puma, Seattle Genetics, Spectrum Pharmaceuticals, and Zymeworks. We also face competition from companies that continue to invest in innovation in the antibody-drug conjugate field, including but not limited to AbbVie, ADC Therapeutics, Astellas, BioAtla, Celldex, CytomX, Eli Lilly and Company, GlaxoSmithKline, Genmab, ImmunoGen, Immunomedics, Millennium Pharmaceuticals, MorphoSys AG, Novartis, Pfizer, Sanofi, Seattle Genetics, Sutro Biopharma, and VelosBio.

Many of our competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, preclinical testing, clinical

trials, manufacturing and marketing than we do. Future collaborations and mergers and acquisitions may result in further resource concentration among a smaller number of competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors will also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or that may be necessary for, our programs.

The key competitive factors affecting the success of all of our programs are likely to be efficacy, safety, and convenience. If we are not successful in developing, commercializing and achieving higher levels of reimbursement than our competitors, we will not be able to compete against them and our business would be materially harmed.

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

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. Unused U.S. federal net operating losses, or NOLs, for taxable years beginning before January 1, 2018, may be carried forward to offset future taxable income, if any, until such unused NOLs expire. Under legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the Tax Act) as modified by legislation enacted on March 27, 2020, entitled the Coronavirus Aid, Relief, and Economic Security Act (the CASES Act), U.S. federal NOLs incurred in taxable years beginning after December 31, 2017, can be carried forward indefinitely, but the deductibility of such U.S. federal NOLs in taxable years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the Tax Act or to the CARES Act.

As of December 31, 2019, we had $59.9 million of U.S. federal NOLs. If not used, $18.2 million of the U.S. federal NOLs will begin to expire in 2036 and $41.7 million can be carried forward indefinitely under current law. As of December 31, 2019, we also had aggregate U.S. federal research and development (R&D) credits of approximately $0.9 million. Our NOL carryforwards and R&D credits are subject to review and possible adjustment by the U.S. and state tax authorities.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or (the Code) and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change NOL carryforwards, R&D credits and certain other tax attributes to offset its post-change income or taxes may be limited. This could limit the amount of NOLs, R&D credit carryforwards or other applicable tax attributes that we can utilize annually to offset future taxable income or tax liabilities. Subsequent ownership changes and changes to the U.S. tax rules in respect of the utilization of NOLs, R&D credits and other applicable tax attributes carried forward may further affect the limitation in future years. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Our business operations and current and future relationships with investigators, health care professionals, consultants, third-party payors and customers are subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, transparency laws and other healthcare laws and regulations. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Although we do not currently have any products on the market, our operations may be, directly or indirectly through our prescribers, customers and third-party payors, subject to various U.S. federal and

state healthcare laws and regulations, including, without limitation, the U.S. federal Anti-Kickback Statute, the U.S. federal civil and criminal false claims laws and the Physician Payments Sunshine Act and regulations. Healthcare providers and others play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. These laws may impact, among other things, our current business operations, including our clinical research activities, and proposed sales, marketing and education programs and constrain the business of financial arrangements and relationships with healthcare providers and other parties through which we may market, sell and distribute our products for which we obtain marketing approval. In addition, we may be subject to additional healthcare, statutory and regulatory requirements and enforcement by foreign regulatory authorities in jurisdictions in which we conduct our business. The laws that may affect our ability to operate include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or paying any remuneration (including any kickback, bribe or certain rebates), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under U.S. federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal false claims, including the False Claims Act, which can be enforced through whistleblower actions, and civil monetary penalties laws, which, among other things, impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented, to the U.S. federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the U.S. federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services; similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, impose requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security, and transmission of such individually identifiable health information;
- the U.S. Federal Food, Drug and Cosmetic Act, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices;
- the U.S. federal legislation commonly referred to as Physician Payments Sunshine Act, enacted as part of the Affordable Care Act, and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid or the Children’s Health Insurance Program to report annually to the

CMS information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members. Beginning in 2022, such obligations will include payments and other transfers of value provided in the previous year to certain other healthcare professionals, including physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse midwives;

- analogous state laws and regulations, including: state anti-kickback and false claims laws, which may apply to our business practices, including, but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; and state and local laws requiring the registration of pharmaceutical sales representatives; and
- European and other foreign law equivalents of each of the laws, including reporting requirements detailing interactions with and payments to healthcare providers.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from U.S. government funded healthcare programs, such as Medicare and Medicaid, or similar programs in other countries or jurisdictions, disgorgement, imprisonment, contractual damages, reputational harm, diminished profits, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and the delay, reduction, termination or restructuring of our operations. Further, defending against any such actions can be costly and time-consuming, and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. If any of the physicians or other providers or entities with whom we expect to do business is found to not be in compliance with applicable laws, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment. If any of the above occur, it could adversely affect our ability to operate our business and our results of operations.

Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and affect the prices we may charge for such product candidates.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product for which we obtain marketing approval.

In March 2010, the Affordable Care Act was enacted, which includes measures that have significantly changed the way health care is financed by both governmental and private insurers. There remain executive, judicial and congressional challenges to certain aspects of the Affordable Care Act. On December 14, 2018, a Texas U.S. District Court Judge ruled that the Affordable Care Act is unconstitutional in its entirety because the "individual mandate" was repealed by Congress as part of the Tax Act. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the Affordable Care Act are invalid as well. On March 2, 2020, the United States Supreme Court granted the petitions for writs of certiorari to review this case. It is unclear how such litigation and other efforts to challenge, repeal or replace the Affordable Care Act will impact the Affordable Care Act or our business. We continue to evaluate the effect that the Affordable Care Act and its possible repeal and replacement has on our business.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, in August 2011, the Budget Control Act of 2011 was signed into law, which, among other things, included aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year through 2030, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020, unless Congress takes additional action.

Recently, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. congressional inquiries and legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drugs. At the federal level, the U.S. Presidential administration's budget proposal for the fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Further, the Trump administration previously released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contained proposals to increase drug manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products, and reduce the out of pocket costs of drug products paid by consumers. The Department of Health and Human Services (HHS) has solicited feedback on some of these measures and has implemented others under its existing authority.

Additionally, on July 24, 2020, the Trump administration announced four executive orders related to prescription drug pricing that attempt to implement several of the administration's proposals, including a policy that would tie Medicare Part B drug prices to international drug prices; one that directs HHS to finalize the Canadian drug importation proposed rule previously issued by HHS and makes other changes allowing for personal importation of drugs from Canada; one that directs HHS to finalize the rulemaking process on modifying the anti-kickback law safe harbors for discounts for plans, pharmacies, and pharmaceutical benefit managers; and one that reduces costs of insulin and epipens to patients of federally qualified health centers. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payers. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control costs pharmaceutical and

biological products. Moreover, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs.

We expect that the healthcare reform measures that have been adopted, and that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products. Further, it is possible that additional governmental action is taken in response to the COVID-19 pandemic. For example, on August 6, 2020, the Trump administration issued another executive order that instructs the federal government to develop a list of “essential” medicines and then buy them and other medical supplies from U.S. manufacturers instead of from companies around the world, including China. The order is meant to reduce regulatory barriers to domestic pharmaceutical manufacturing and catalyze manufacturing technologies needed to keep drug prices low and the production of drug products in the United States.

Failure to comply with current or future federal, state and foreign laws and regulations and industry standards relating to privacy and data protection laws could lead to government enforcement actions (which could include civil or criminal penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business.

We and our collaborators and third-party providers may be subject to federal, state and foreign data privacy and security laws and regulations. In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators and third-party providers. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA. Depending on the facts and circumstances, we could be subject to significant penalties if we violate HIPAA.

In many jurisdictions, enforcement actions and consequences for noncompliance are rising. In the United States, these include enforcement actions in response to rules and regulations promulgated under the authority of federal agencies and state attorneys general and legislatures and consumer protection agencies. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards that may legally or contractually apply to us. If we fail to follow these security standards, even if no customer information is compromised, we may incur significant fines or experience a significant increase in costs. Many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security and data breaches. Laws in all 50 states require businesses to provide notice to customers whose personally identifiable information has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is costly. States are also constantly amending existing laws, requiring attention to frequently changing regulatory requirements. Furthermore, California recently enacted the California Consumer Privacy Act (the CCPA) which became effective on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. At this time, we do not collect personal information relating to residents

of California but should we begin to do so, the CCPA will impose new and burdensome privacy compliance obligations on our business and will raise new risks for potential fines and class actions.

Foreign data protection laws, including the EU General Data Protection Regulation (the GDPR), may also apply to health-related and other personal information obtained outside of the United States. The GDPR, which came into effect on May 25, 2018, imposes strict requirements for processing the personal data of individuals within the European Economic Area, or (EEA)and the United Kingdom, including clinical trial data, as well as potential fines for noncompliant companies of up to the greater of €20 million or 4% of annual global revenue. The GDPR imposes strict requirements for the collection, use and disclosure of personal data, including stringent requirements relating to obtaining consent, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches and taking certain measures when engaging third-party processors. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the EU and the United States remains uncertain. For example, in 2016, the EU and United States agreed to a transfer framework for data transferred from the EU to the United States, called the Privacy Shield, but the Privacy Shield was invalidated in July 2020 by the Court of Justice of the European Union. At this time, we do not believe we are subject to the GDPR, but should this change, the GDPR will increase our responsibility and potential liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to ensure compliance with the new EU data protection rules.

Compliance with U.S. and foreign data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure by us or our collaborators and third-party providers to comply with U.S. and foreign data protection laws and regulations could result in government enforcement actions (which could include civil or criminal penalties), private litigation and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects about whom we or our potential collaborators obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose such information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws or breached our contractual obligations, even if we are not found liable, could be expensive and time consuming to defend, could result in adverse publicity and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Our Intellectual Property

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

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

Our success depends in large part on our ability to obtain and maintain patent protection for our platform technologies, product candidates and their uses, as well as our ability to operate without infringing the proprietary rights of others. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel discoveries and technologies that are

important to our business. Our pending and future patent applications may not result in patents being issued or that issued patents will afford sufficient protection of our product candidates or their intended uses against competitors, nor can there be any assurance that the patents issued will not be infringed, designed around, invalidated by third parties, or effectively prevent others from commercializing competitive technologies, products or product candidates.

Obtaining and enforcing patents is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications or maintain and/or enforce patents that may issue based on our patent applications, at a reasonable cost or in a timely manner, including delays as a result of the COVID-19 pandemic impacting our or our licensors' operations. It is also possible that we will fail to identify patentable aspects of our research and development results before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach these agreements and disclose such results before a patent application is filed, thereby jeopardizing our ability to seek patent protection.

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

The patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation, resulting in court decisions, including Supreme Court decisions, which have increased uncertainties as to the ability to enforce patent rights in the future. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or any of our potential future collaborators will be successful in protecting our product candidates by obtaining and defending patents. For example, we may not be aware of all third-party intellectual property rights potentially relating to our product candidates or their intended uses, and as a result the impact of such third-party intellectual property rights upon the patentability of our own patents and patent applications, as well as the impact of such third-party intellectual property upon our freedom to operate, is highly uncertain. Patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, inventorship, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending patent applications may be challenged in patent offices in the United States and abroad. Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various

patent offices or in courts. For example, our pending patent applications may be subject to third-party pre-issuance submissions of prior art to the USPTO or our issued patents may be subject to post-grant review (PGR) proceedings, oppositions, derivations, reexaminations, or *inter partes* review (IPR) proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated, or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. Any failure to obtain or maintain patent protection with respect to our product candidates or their uses could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. We may also rely on trade secret protection as temporary protection for concepts that may be included in a future patent filing. However, trade secret protection will not protect us from innovations that a competitor develops independently of our proprietary know how. If a competitor independently develops a technology that we protect as a trade secret and files a patent application on that technology, then we may not be able to patent that technology in the future, may require a license from the competitor to use our own know-how, and if the license is not available on commercially-viable terms, then we may not be able to launch our product. Although we require all of our employees to assign their inventions to us, and require all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, and this scenario could materially adversely affect our business, financial condition and results of operations.

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

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

- if and when patents may issue based on our patent applications;
- the scope of protection of any patent issuing based on our patent applications;
- whether the claims of any patent issuing based on our patent applications will provide protection against competitors;

- whether or not third parties will find ways to invalidate or circumvent our patent rights;
- whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications;
- whether we will need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose; and/or
- whether the patent applications that we own or in-license will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries.

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

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

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

- others may be able to make product candidates that are similar to ours but that are not covered by the claims of the patents that we own or have exclusively licensed;
- we or our licensors or future collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or have exclusively licensed;
- we or our licensors or future collaborators might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that noncompliance with the USPTO and foreign governmental patent agencies requirement for a number of procedural, documentary, fee payment and other provisions during the patent process can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may be revoked, modified, or held invalid or unenforceable, 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 may not develop additional proprietary technologies that are patentable;
- we cannot predict the scope of protection of any patent issuing based on our patent applications, including whether the patent applications that we own or in-license will result in issued patents with claims that directed to our product candidates or uses thereof in the United States or in other foreign countries;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns;
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing product candidates;
- the claims of any patent issuing based on our patent applications may not provide protection against competitors or any competitive advantages, or may be challenged by third parties;
- if enforced, a court may not hold that our patents are valid, enforceable and infringed;
- we may need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose;
- we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent application covering such intellectual property;
- we may fail to adequately protect and police our trademarks and trade secrets; and
- the patents of others may have an adverse effect on our business, including if others obtain patents claiming subject matter similar to or improving that covered by our patents and patent applications.

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

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect our ability to develop and market our products.

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect. For example, we may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third-party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

We are currently party to an in-license agreement under which we were granted rights to manufacture certain components of our product candidates. If we breach our obligations under these agreements, we may be required to pay damages, lose our rights to these technologies or both, which would adversely affect our business and prospects.

We rely, in part, on license and other strategic agreements, which subject us to various obligations, including payment obligations for achievement of certain milestones on product sales. For example, with respect to SBT6050, we have licensed a cell line to manufacture these products under an agreement with WuXi Biologics. If we fail to comply with the obligations under our license agreements, including as a result of COVID-19 impacting our operations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and our licensors may have the right to terminate the license. If our license agreements are terminated, we may experience significant delays, difficulties, and costs in developing new cell lines and identifying an alternative source to manufacture components of our candidate products covered by our agreements and those being tested or approved in combination with such products. Such an occurrence could materially adversely affect the value of the product candidates being developed under any such agreement.

In addition, the agreements under which we license intellectual property or technology to or from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We control the prosecution of patents resulting from licensed technology. In the event we breach any of our obligations related to such prosecution, we may incur significant liability to our licensing partners. Licensing of intellectual property involves complex legal, business and scientific issues and is complicated by the rapid pace of scientific discovery in our industry. Disputes may arise regarding intellectual property subject to a licensing agreement, including:

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

If disputes over intellectual property and other rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. We are generally also subject to all of the same risks with respect to protection of intellectual property that we license as we are for intellectual property that we own, which are described herein. If we or our licensor fail to adequately protect this intellectual property, our ability to develop, manufacture, or commercialize products could suffer.

In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant research programs or product candidates and our business, financial condition, results of operations and prospects could suffer.

In the future, we may need to obtain additional licenses of third-party technology that may not be available to us or are available only on commercially unreasonable terms, and which may cause us to operate our business in a more costly or otherwise adverse manner that was not anticipated.

We currently own intellectual property directed to our product candidates and other proprietary technologies. Other pharmaceutical companies and academic institutions may also have filed or are planning to file patent applications potentially relevant to our business. From time to time, in order to avoid infringing these third-party patents, we may be required to license technology from additional third parties to further develop or commercialize our product candidates. Should we be required to obtain licenses to any third-party technology, including any such patents required to manufacture, use or sell our product candidates, such licenses may not be available to us on commercially reasonable terms, or at all. The inability to obtain any third-party license required to develop or commercialize any of our product candidates could cause us to abandon any related efforts, which could seriously harm our business and operations.

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 we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us.

Moreover, some of our owned and in-licensed patents or patent applications or future patents are or may be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Furthermore, our owned and in-licensed patents may be subject to a reservation of rights by one or more third parties. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

If we are sued for infringing intellectual property rights of third parties, such litigation could be costly and time consuming and could prevent or delay us from developing or commercializing our product candidates.

Our commercial success depends, in part, on our ability to develop, manufacture, market and sell our product candidates without infringing the intellectual property and other proprietary rights of third parties. Third parties may allege that we have infringed or misappropriated their intellectual property. Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is

unpredictable and generally expensive and time consuming and, even if resolved in our favor, is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

There is a substantial amount of intellectual property litigation in the biotechnology and pharmaceutical industries, and we may become party to, or threatened with, litigation or other adversarial proceedings regarding intellectual property rights with respect to our products candidates. We cannot be certain that our product candidates and other proprietary technologies we may develop will not infringe existing or future patents owned by third parties. Third parties may assert infringement claims against us based on existing or future intellectual property rights. For example, we have identified certain third party patents that may be asserted against us with respect to our lead product SBT6050. These patents may expire prior to commercial launch of SBT6050, if approved. We believe that the relevant claims of these third party patents are likely invalid or unenforceable, and we may choose to challenge those patents, though the outcome of any challenge that we may initiate in the future is uncertain. We may also decide in the future to seek a license to those third party patents, but we might not be able to do so on reasonable terms. Proving invalidity may be difficult. For example, in the United States, proving invalidity in court requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. If we are found to infringe a third party's intellectual property rights, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing candidate product or product. Alternatively, we may be required to obtain a license from such third party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing candidate product or product. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our investigational products or force us to cease some of our business operations, which could materially harm our business.

We may not be aware of patents that have already been issued and that a third party, for example, a competitor in the fields in which we are developing our product candidates, might assert are infringed by our current or future product candidates, including claims to compositions, formulations, methods of manufacture or methods of use or treatment that cover our product candidates. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to our product candidates and other proprietary technologies we may develop, could be found to be infringed by our product candidate. In addition, because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our product candidates. The pharmaceutical and biotechnology

industries have produced a considerable number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we were sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving invalidity may be difficult. For example, in the United States, proving invalidity in court requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents, and there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on our business and operations. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

We may choose to challenge the enforceability or validity of claims in a third party's U.S. patent by requesting that the USPTO review the patent claims in an *ex-parte* re-exam, *inter partes* review or post-grant review proceedings. These proceedings are expensive and may consume our time or other resources. We may choose to challenge a third party's patent in patent opposition proceedings in the EPO, or other foreign patent office. The costs of these opposition proceedings could be substantial, and may consume our time or other resources. If we fail to obtain a favorable result at the USPTO, EPO or other patent office then we may be exposed to litigation by a third party alleging that the patent may be infringed by our product candidates or proprietary technologies.

If we are found to infringe a third-party's intellectual property rights, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing product candidate or product. Alternatively, we may be required to obtain a license from such third-party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing product candidate. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, and could divert the time and attention of our technical personnel and management, cause development delays, and/or require us to develop non-infringing technology, which may not be possible on a cost-effective basis, any of which could materially harm our business. In the event of a successful claim of infringement against us, we may have to pay substantial monetary damages, including treble damages and attorneys' fees for willful infringement, pay royalties and other fees, redesign our infringing drug or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

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

Competitors or other third parties may infringe our patents, trademarks or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Our pending patent applications cannot be enforced against third parties practicing

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

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Moreover, we cannot assure you that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

Because of the expense and uncertainty of litigation, we may not be in a position to enforce our intellectual property rights against third parties.

Because of the expense and uncertainty of litigation, we may conclude that even if a third-party is infringing our issued patent, any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk-adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our stockholders, or it may be otherwise impractical or undesirable to enforce our intellectual property against some third parties. Our competitors or other third parties may be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs,

in-license needed technology or other product candidates, or enter into development partnerships that would help us bring our product candidates to market.

We may be subject to claims that we have wrongfully hired an employee from a competitor or that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

As is common in the pharmaceutical industry, in addition to our employees, we engage the services of consultants to assist us in the development of our product candidates. Many of these consultants, and many of our employees, were previously employed at, or may have previously provided or may be currently providing consulting services to, other pharmaceutical companies including our competitors or potential competitors. We could in the future be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other confidential information of former employers or competitors. Although we try to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may become subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a former employer or competitor.

While we may litigate to defend ourselves against these claims, even if we are successful, litigation could result in substantial costs and could be a distraction to management. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our product candidates, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. Moreover, any such litigation or the threat thereof may adversely affect our reputation, our ability to form strategic alliances or sublicense our rights to collaborators, engage with scientific advisors or hire employees or consultants, each of which would have an adverse effect on our business, results of operations and financial condition. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs, and may diminish our ability to protect our inventions, obtain, maintain, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our owned and licensed patents. Patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act (the Leathy-Smith Act), signed into law on September 16, 2011, could increase those uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review, and derivation proceedings. Further, because of a lower evidentiary standard in these USPTO post-grant proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third

party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

After March 2013, under the Leahy-Smith Act, the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third-party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before we file an application covering the same invention, could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (1) file any patent application related to our product candidates and other proprietary technologies we may develop or (2) invent any of the inventions claimed in our or our licensor's patents or patent applications. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing the claimed invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our 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 positions of companies in the development and commercialization of pharmaceuticals are particularly uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. For example, in the 2013 case *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, the U.S. Supreme Court held that certain claims to DNA molecules are not patentable. While we do not believe that any of the patents owned or licensed by us will be found invalid based on this decision, we cannot predict how future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patents.

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

Periodic maintenance fees, renewal fees, annuities fees and various other governmental fees on patents and/or patent applications are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent and/or patent application. The USPTO and various foreign governmental patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse, including due to the effect of the COVID-19 pandemic on us or our patent

maintenance vendors, can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our product candidates, our competitive position would be adversely affected.

We may rely on trade secret and proprietary know-how which can be difficult to trace and enforce and, if we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patents for some of our technology and product candidates, we may also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. Elements of our product candidate, including processes for their preparation and manufacture, may involve proprietary know-how, information, or technology that is not covered by patents, and thus for these aspects we may consider trade secrets and know-how to be our primary intellectual property. Any disclosure, either intentional or unintentional, by our employees, the employees of third parties with whom we share our facilities or third-party consultants and vendors that we engage to perform research, clinical trials or manufacturing activities, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Because we expect to rely on third parties in the development and manufacture of our product candidates, we must, at times, share trade secrets with them. Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Trade secrets and know-how can be difficult to protect. We require our employees to enter into written employment agreements containing provisions of confidentiality and obligations to assign to us any inventions generated in the course of their employment. We and any third parties with whom we share facilities enter into written agreements that include confidentiality and intellectual property obligations to protect each party's property, potential trade secrets, proprietary know-how, and information. We further seek to protect our potential trade secrets, proprietary know-how, and information in part, by entering into non-disclosure and confidentiality agreements with parties who are given access to them, such as our corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties. With our consultants, contractors, and outside scientific collaborators, these agreements typically include invention assignment obligations. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. 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. Despite these efforts, 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. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. We may need to share our proprietary information, including trade secrets, with 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. Further, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other

third-party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third-party, our competitive position would be harmed.

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

We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co-ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and/or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

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

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

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

Patent rights are of limited duration. In the United States, if all maintenance fees are paid timely, the natural expiration of a patent is generally 20 years after its first effective filing date. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such product candidates are commercialized. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition from biosimilar or generic products. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to ours. Upon issuance in the United States, the term of a patent can be increased by patent term adjustment, which is based on certain delays caused by the USPTO, but this increase can be reduced or eliminated based on certain delays caused by the patent applicant

during patent prosecution. The term of a United States patent may also be shortened if the patent is terminally disclaimed over an earlier-filed patent. A patent term extension (PTE) based on regulatory delay may be available in the United States. However, only a single patent can be extended for each marketing approval, and any patent can be extended only once, for a single product. Moreover, the scope of protection during the period of the PTE does not extend to the full scope of the claim, but instead only to the scope of the product as approved. Laws governing analogous PTEs in foreign jurisdictions vary widely, as do laws governing the ability to obtain multiple patents from a single patent family. Additionally, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. If we are unable to obtain PTE or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product will be shortened and our competitors may obtain approval of competing products following our patent expiration and may take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data to launch their product earlier than might otherwise be the case, and our revenue could be reduced, possibly materially.

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

Our current or future trademarks or trade names may be challenged, infringed, circumvented or declared generic or descriptive or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Although these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

Moreover, any name we have proposed to use with our product candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary product names, it may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the marks we have asserted are

invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Risks Related to Our Common Stock and this Offering

There has been no prior public market for our common stock, the stock price of our common stock may be volatile or may decline regardless of our operating performance and you may not be able to resell your shares at or above the initial public offering price.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock was determined through negotiations between the underwriters and us and may vary from the market price of our common stock following this offering. If you purchase shares of our common stock in this offering, you may not be able to resell those shares at or above the initial public offering price. An active or liquid market in our common stock may not develop upon the completion of this offering or, if it does develop, it may not be sustainable. Further, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic partnerships or acquire companies or products by using our shares of common stock as consideration. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets;
- our operating performance and the performance of other similar companies;
- the published opinions and third-party valuations by banking and market analysts;
- results from our ongoing clinical trials and future clinical trials with our current and future product candidates or of our competitors;
- adverse results or delays in clinical trials;
- failure to commercialize our product candidates;
- unanticipated serious safety concerns related to immuno-oncology or related to the use of our product candidates;
- changes in our projected operating results that we provide to the public, our failure to meet these projections or changes in recommendations by securities analysts that elect to follow our common stock;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- regulatory or legal developments in the United States and other countries;
- the level of expenses related to future product candidates or clinical development programs;
- our failure to achieve product development goals in the timeframe we announce;
- announcements of acquisitions, strategic alliances or significant agreements by us or by our competitors;
- recruitment or departure of key personnel;
- the economy as a whole and market conditions in our industry;
- trading activity by a limited number of stockholders who together beneficially own a majority of our outstanding common stock;

- the expiration of market standoff or contractual lock-up agreements;
- the size of our market float;
- political uncertainty and/or instability in the United States;
- the ongoing and future impact of the COVID-19 pandemic and actions taken to slow its spread; and
- any other factors discussed in this prospectus.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many immuno-oncology companies. Stock prices of many immuno-oncology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. The trading prices for common stock of other biopharmaceutical companies have also been highly volatile as a result of the COVID-19 pandemic. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business.

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

As of September 30, 2020, our executive officers, directors, five percent stockholders and their affiliates beneficially owned approximately % of our voting stock and, upon closing of this offering, that same group will beneficially own approximately % of our outstanding voting stock. Therefore, even after this offering, these stockholders will have the ability to influence us through their ownership positions. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders, acting together, 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 believe are in your best interest as one of our stockholders.

Substantial amounts of our outstanding shares may be sold into the market when lock-up or market standoff periods end. If there are substantial sales of shares of our common stock, the price of our common stock could decline.

The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, or if there is a large number of shares of our common stock available for sale and the market perceives that sales will occur. After this offering, we will have outstanding shares of our common stock, based on the number of shares outstanding as of September 30, 2020. All of the shares of common stock sold in this offering will be available for sale in the public market. Substantially all of our outstanding shares of common stock are currently restricted from resale as a result of market standoff and lock-up agreements, as more fully described in the section of this prospectus titled “Shares Eligible for Future Sale.” These shares will become available to be sold 181 days after the date of this prospectus, in addition to shares issuable pursuant to outstanding option and warrants. Shares held by directors, executive officers and other affiliates will be subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended (the Securities Act) and various vesting agreements.

After the completion of this offering, certain of our stockholders 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 our stockholders, subject to market standoff

and lockup agreements. We also intend to register shares of common stock that we have issued and may issue under our employee equity incentive plans. Once we register these shares, they will be able to be sold freely in the public market upon issuance, subject to existing market standoff or lock-up agreements.

Goldman Sachs & Co. LLC, SVB Leerink LLC and Stifel, Nicolaus & Company, Incorporated may, in their discretion, permit our stockholders to sell shares prior to the expiration of the restrictive provisions contained in those lock-up agreements.

The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares.

If you purchase shares of our common stock in this offering, you will experience substantial and immediate dilution.

If you purchase shares of our common stock in this offering, you will experience substantial and immediate dilution in the pro forma net tangible book value per share of $ per share as of September 30, 2020, based on the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), because the price that you pay will be substantially greater than the pro forma net tangible book value per share of the common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of our capital stock. You will experience additional dilution upon exercise of options to purchase common stock under our equity incentive plans, upon vesting of options to purchase common stock under our equity incentive plans, if we issue restricted stock to our employees under our equity incentive plans or if we otherwise issue additional shares of our common stock. See the section of this prospectus titled “Dilution” for additional information.

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

Additional capital will be needed in the future to continue our planned operations. To the extent we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. 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 in more than one transaction, investors may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders.

Pursuant to our 2020 Plan, our management is authorized to grant stock options and other equity-based awards to our employees, directors and consultants. The number of shares of our common stock reserved for issuance under our 2020 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2021 through January 1, 2030, in an amount equal to the lesser of (i) % of the total number of shares of our common stock outstanding on the last day of the calendar month before the date of each automatic increase; or (ii) a lesser number of shares determined by our board of directors prior to the applicable January 1st. If our board of directors elects to increase the number of shares available for future grant by the maximum amount each year, our stockholders may experience additional dilution, which could cause our stock price to fall.

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

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

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

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

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

We are an "emerging growth company" as defined in the JOBS Act, and we intend to take advantage of some of the exemptions from reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- not being required to hold a non-binding advisory vote on executive compensation or obtain stockholder approval of any golden parachute payments not previously approved.

In addition, as an "emerging growth company" the JOBS Act allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are

made applicable to private companies, unless we later irrevocably elect not to avail ourselves of this exemption. We have elected to use this extended transition period under the JOBS Act. As a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make comparison of our financials to those of other public companies more difficult.

We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (1) following the fifth anniversary of the completion of this offering, (2) in which we have total annual gross revenue of at least $1.07 billion or (3) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the completion of this offering could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

Following the completion of this offering, our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the completion of this offering will contain provisions that may make the acquisition of our company more difficult, including the following:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our 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;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by a majority vote of our entire board of directors, the chairman of our board of directors or our chief executive officer, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66-2/3% of the voting power of all of the then-outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the management of our business or our amended and restated bylaws, which may inhibit the ability of an acquirer to affect such amendments to facilitate an unsolicited takeover attempt; and

- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

For information regarding these and other provisions, see the section of this prospectus titled "Description of Capital Stock."

Our amended and restated certificate of incorporation, which will become effective upon the closing of this offering designates the state courts the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, and the federal district courts of the United States of America will be the exclusive forums for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against our company and our directors, officers and employees.

Our amended and restated certificate of incorporation, which will become effective upon the closing of this offering, provides that, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees, governed by the internal affairs doctrine; provided, that, this provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction.

In addition, our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive

forum for resolving any complaint asserting a cause of action arising under the Securities Act, unless we consent in writing to the selection of an alternative forum.

These exclusive-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 our directors, officers or other employees and may discourage these types of lawsuits, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. 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. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

General Risk Factors

We will incur significantly 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 and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC, and the Nasdaq Global Market have imposed various requirements on public companies. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas such as "say on pay" and proxy access. Recent legislation permits smaller "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 this new legislation but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costlier. 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 our current levels of such coverage.

Failure to build our finance infrastructure and improve our accounting systems and controls could impair our ability to comply with the financial reporting and internal controls requirements for publicly traded companies.

As a public company, we will operate in an increasingly demanding regulatory environment, which requires us to comply with the Sarbanes-Oxley Act, the regulations of the Nasdaq Global Market, the rules and regulations of the Securities and Exchange Commission, expanded disclosure requirements, accelerated reporting requirements and more complex accounting rules. Company responsibilities required by the Sarbanes-Oxley Act include establishing corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. Commencing with our fiscal year ending the year after this offering is

completed, we must perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting in our Form 10-K filing for that year, as required by Section 404 of the Sarbanes-Oxley Act. Prior to this offering, we have never been required to test our internal controls within a specified period and, as a result, we may experience difficulty in meeting these reporting requirements in a timely manner.

We anticipate that the process of building our accounting and financial functions and infrastructure will require significant additional professional fees, internal costs and management efforts. We expect that we will need to implement a new internal system to combine and streamline the management of our financial, accounting, human resources and other functions. However, such a system would likely require us to complete many processes and procedures for the effective use of the system or to run our business using the system, which may result in substantial costs. Any disruptions or difficulties in implementing or using such a system could adversely affect our controls and harm our business. Moreover, such disruption or difficulties could result in unanticipated costs and diversion of management attention. In addition, we may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed, investors could lose confidence in our reported financial information and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities.

If we are unable to maintain effective internal controls, our business, financial position and results of operations could be adversely affected.

As a public company, we will be subject to reporting and other obligations under the Exchange Act, including the requirements of SOX Section 404, which require annual management assessments of the effectiveness of our internal control over financial reporting.

The rules governing the standards that must be met for management to determine that our internal control over financial reporting is effective are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, our management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act of 2002. These reporting and other obligations place significant demands on our management and administrative and operational resources, including accounting resources.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. 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 for external purposes in accordance with accounting principles generally accepted in the United States. Any failure to maintain effective internal controls could have an adverse effect on our business, financial position and results of operations.

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

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

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Future changes in financial accounting standards or practices may cause adverse and unexpected revenue fluctuations and adversely affect our reported results of operations.

Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our reported financial position or results of operations. Financial accounting standards in the United States are constantly under review and new pronouncements and varying interpretations of pronouncements have occurred with frequency in the past and are expected to occur again in the future. As a result, we may be required to make changes in our accounting policies. Those changes could affect our financial condition and results of operations or the way in which such financial condition and results of operations are reported. We intend to invest resources to comply with evolving standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from business activities to compliance activities. See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Accounting Pronouncements.”

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use, or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. For example, the CARES Act modified certain provisions of the Tax Act. In addition, it is uncertain if and to what extent various states will conform to the Tax Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, and could increase our future U.S. tax expense.

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

As a result of the COVID-19 pandemic and actions taken to slow its spread, the global credit and financial markets have recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive an economic downturn, which could directly affect our ability to attain our operating goals on schedule and on budget.

We will have broad discretion in the use of the net proceeds of this offering and may not use them effectively or in ways that increase the value of our share price.

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering, but we currently expect such uses will include advancing our clinical product candidates into later-stage clinical trials and combination trials, advancing our research product candidates into clinical development, supporting our ongoing drug discovery efforts and supporting our growing infrastructure and needs in operating as a public company. We will have broad discretion in the application of the net proceeds, including working capital and other general corporate purposes, and you and other stockholders may disagree with how we spend or invest these proceeds. The failure by our management to apply these funds effectively could adversely affect our business and financial condition. Pending their use, we may invest the net proceeds from our initial public offering in a manner that does not produce income or that loses value. These investments may not yield a favorable return to our investors.

Our internal information technology systems, or those of our third-party CROs or other contractors or consultants, may fail or suffer security breaches, loss or leakage of data, and other disruptions, which could result in a material disruption of our product candidates' development programs, compromise sensitive information related to our business or prevent us from accessing critical information, potentially exposing us to liability or otherwise adversely affecting our business.

We are increasingly dependent upon information technology systems, infrastructure and data to operate our business. In the ordinary course of business, we collect, store and transmit confidential information (including but not limited to intellectual property, proprietary business information and personal information). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We also have outsourced elements of our operations to third parties, and as a result we manage a number of third-party contractors who have access to our confidential information.

Despite the implementation of security measures, given their size and complexity and the increasing amounts of confidential information that they maintain, our internal information technology systems and those of our third-party CROs and other contractors and consultants are potentially vulnerable to breakdown or other damage or interruption from service interruptions, system

malfunction, natural disasters, terrorism, war and telecommunication and electrical failures, as well as security breaches from inadvertent or intentional actions by our employees, contractors, consultants, business partners, and/or other third parties, or from cyber-attacks by malicious third parties (including the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information), which may compromise our system infrastructure or lead to data leakage. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and reputational damage and the further development and commercialization of our product candidates could be delayed.

We cannot assure you that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages, breaches in our systems or other cyber incidents that could have a material adverse effect upon our reputation, business, operations or financial condition. For example, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs and the development of our product candidates could be delayed. In addition, the loss of clinical trial data for our product candidates could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. Furthermore, significant disruptions of our internal information technology systems or security breaches could result in the loss, misappropriation, and/or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information, and personal information), which could result in financial, legal, business, and reputational harm to us. For example, any such event that leads to unauthorized access, use, or disclosure of personal information, including personal information regarding our clinical trial subjects or employees, could harm our reputation directly, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information, which could result in significant legal and financial exposure and reputational damages that could potentially have an adverse effect on our business.

We or the third parties upon whom we depend may be adversely affected by earthquakes, fires or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our headquarters and main research facility are located in Seattle, Washington, which in the past has experienced severe earthquakes and fires. If these earthquakes, fires, other natural disasters, terrorism and similar unforeseen events beyond our control prevented us from using all or a significant portion of our headquarters or research facility, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. We do not have a disaster recovery or business continuity plan in place and may incur substantial expenses as a result of the absence or limited nature of our internal or third-party service provider disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business. Furthermore, integral parties in our supply chain are operating from single sites, increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our ability to conduct our clinical trials, our development plans and business.

We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations. We can face serious consequences for violations.

U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, or collectively, Trade Laws, prohibit, among other things, companies and their employees, agents, CROs, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations. We also expect our non-U.S. activities to increase over time. We expect to rely on third parties for research, preclinical studies, and clinical trials and/or to obtain necessary permits, licenses, patent registrations, and other marketing approvals. We can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We, and the third parties with whom we share our facilities, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Each of our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Each of our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. We could be held liable for any resulting damages in the event of contamination or injury resulting from the use of hazardous materials by us or the third parties with whom we share our facilities, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

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

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

Patent protection is available on a national or regional level. Filing, prosecuting and defending patents throughout the world and on all of our product candidates would be prohibitively expensive. As such, our intellectual property rights outside the United States may not extend to all other possible countries outside the United States and we may not be able to prevent third parties from practicing our inventions in countries outside the United States where we do not have patent protection, or from

selling in and importing products into other jurisdictions made using our inventions in such countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products or technology and may export otherwise infringing products or technology to territories where we have patent protection, but enforcement rights are not as strong as those in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Further, the legal systems of certain countries particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals or biologics, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any such lawsuits that we initiate and the damages and other remedies awarded, if any, may not be commercially meaningful. Similarly, if our trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to our proprietary information and we may be without satisfactory recourse. Such disclosure could have a material adverse effect on our business. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. We currently have and may in the future enter into more contract research and manufacturing relationships with organizations that operate in certain countries that are at heightened risk of theft of technology, data and intellectual property, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. In addition, certain developing countries, including China and India, have compulsory licensing laws under which a patent owner may be compelled under certain circumstances to grant licenses to third parties at nominal or no consideration. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third-party, which could materially diminish the value of those patents. In addition, many countries limit the enforceability of patents against government agencies or government contractors. This could limit our potential revenue opportunities. 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.

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

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or only very few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our strategy, future financial condition, future operations, research and development, planned clinical trials and preclinical studies, the timing and likelihood of regulatory filings and approvals for our product candidates, our ability to commercialize our product candidates, the potential benefits of collaborations, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “design,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “positioned,” “potential,” “predict,” “seek,” “should,” “target,” “will,” “would” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions described in the sections of this prospectus titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus. Other sections of this prospectus may include additional factors that could harm our business and financial performance. 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 investors are cautioned not to unduly rely upon these statements.

Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. You should refer to the section of this prospectus titled “Risk Factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act, do not protect any forward-looking statements that we make in connection with this offering.

You should read this prospectus and the documents that we reference in this prospectus and have filed 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 what we expect. We qualify all of the forward-looking statements in this prospectus by these cautionary statements.

MARKET AND INDUSTRY DATA

Certain market, industry and competitive data included in this prospectus were obtained from our own internal estimates and research, as well as from publicly available information, reports of governmental agencies and industry publications and surveys. In some cases, we do not expressly refer to the sources from which this data is derived. All of the market and industry data used in this prospectus is inherently subject to uncertainties and involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section of this prospectus titled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

USE OF PROCEEDS

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

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the net proceeds to us by $, assuming no change in the assumed initial public offering price of $ per share remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, to create a public market for our common stock and to facilitate potential future access to the public equity markets. We anticipate that we will use the net proceeds of this offering, along with our existing cash and cash equivalents, as follows:

- approximately $ million to fund the development of SBT6050, including the ongoing Phase 1 dose-escalation trial and planned Phase 1b tumor-specific expansion trial of SBT6050 as a monotherapy in HER2-expressing tumors;
- approximately $ million to fund the planned Phase 1 dose-escalation trial and planned Phase 1b trial of SBT6050 in combination with a PD-1 inhibitor;
- approximately $ million to fund the development of SBT6290, including the ongoing IND-enabling studies and planned Phase 1 dose-escalation trial of SBT6290 in Nectin4-expressing tumors;
- approximately $ million to fund the development of ASGR1-TLR8, including the planned development candidate selection for and planned IND-enabling studies of our SBT8230 program in cHBV; and
- the remaining proceeds to fund our other research and development activities, as well as for working capital and other general corporate purposes.

We may also use a portion of the net proceeds from this offering to in-license, acquire or invest in complementary businesses, technologies, products or assets. However, we have no current commitments or obligations to do so.

Based on our current operating plan, we estimate that our existing cash and cash equivalents as of the date of this prospectus, together with the estimated net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements for at least the next months. In particular, we expect that these capital resources will allow us to fund:

- our ongoing Phase 1 dose-escalation trial for STBT6050 as a monotherapy in HER2-expressing tumors though our anticipated clinical data updates in the second half of 2021 and the second half of 2022;

- our planned Phase 1b tumor-specific expansion trial for STBT6050 as a monotherapy in HER2-expressing tumors though our anticipated initial clinical data update in the second half of 2022;
- our planned Phase 1 dose-escalation trial of SBT6050 in combination with a PD-1 inhibitor through our anticipated clinical data updates in the first half of 2022 and the second half of 2022;
- our planned Phase 1b tumor-specific expansion trial for STBT6050 in combination with a PD-1 inhibitor though our anticipated initial clinical data update in the second half of 2022;
- our ongoing IND-enabling studies and planned Phase 1 dose-escalation trial for SBT6290 in Nectin4-expressing tumors through our anticipated IND submission in the fourth quarter of 2021 and initiation of the Phase 1 trial in the first quarter of 2022; and
- our ongoing and planned preclinical study activities for SBT8230 in cHBV through our anticipated development candidate selection in the fourth quarter of 2020 and submission of an IND in the second half of 2022.

Our expected use of net proceeds from this offering described above represents our current intentions based upon our present plans and business conditions, which could change in the future as our plans and business conditions continue to evolve. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering, or the amounts that we will actually spend on the uses set forth above. Further, due to the uncertainties associated with the drug development process, it is difficult to predict the cost and timing required to complete our development programs. The amounts and timing of our actual use of the net proceeds will vary depending on numerous factors, including the progress, cost and results of our preclinical and clinical development programs, our ability to obtain additional financing, whether we are able to enter into future strategic collaborations, licensing or other arrangements, and other factors described in the section of this prospectus titled “Risk Factors,” as well as the amount of cash used in our operations and any unforeseen cash needs. We may find it necessary or advisable to use the net proceeds for other purposes, and our management will have broad discretion in the application of the net proceeds, and investors will be relying on our judgment regarding the application of the net proceeds from this offering.

Our existing cash and cash equivalents as of the date of this prospectus, together with the estimated net proceeds from this offering, will not be sufficient to fund development of our product candidates through regulatory approval and commercialization. To obtain the capital necessary to fund our product candidates through regulatory approval and commercialization, we expect to finance our cash needs through public or private equity offerings, debt financings and/or other capital sources which may include strategic collaborations, licensing arrangements or other arrangements with third parties.

Pending their use, we plan to 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.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock, and we do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business. Any future determination related to dividend policy will be made at the discretion of our board of directors, subject to applicable laws, and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions and capital requirements.

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

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2020:

- 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 into an aggregate of shares of our common stock in connection with the closing of this offering and (ii) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to our sale of shares of our common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. The following table should be read together with the sections of this prospectus titled “Selected Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our financial statements and the related notes included elsewhere in this prospectus.

	As of September 30, 2020		
	Actual	Pro Forma[2]	Pro Forma As Adjusted[1][2]
	(unaudited) (in thousands, except share and per share amounts)		
Cash and cash equivalents	$	$	$
Redeemable convertible preferred stock, $0.0001 par value; shares authorized, shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	$	$	$
Stockholders’ equity (deficit):			
Preferred stock, $0.0001 par value per share; no shares authorized, issued and outstanding, actual; shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted			
Common stock, $0.0001 par value; shares authorized, shares issued and outstanding[3], actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted.			
Additional paid-in capital			
Accumulated other comprehensive income			
Accumulated deficit			
Total stockholders’ (deficit) equity			
Total capitalization	$	$	$

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

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

(3) The number of shares of common stock actually issued and outstanding excludes shares outstanding that are subject to forfeiture or our right to repurchase as of September 30, 2020 and which are therefore not considered outstanding for accounting purposes.

The number of shares of our common stock to be outstanding after this offering is based on shares of common stock outstanding as of September 30, 2020 after giving effect to the pro forma adjustments described above (which excludes shares outstanding that are subject to forfeiture or our right to repurchase as of such date, and which are therefore not considered outstanding for accounting purposes), and excludes:

- shares of our common stock issuable upon the exercise of outstanding stock options as of September 30, 2020, with a weighted-average exercise price of $ per share;
- shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to September 30, 2020, with a weighted-average exercise price of $ per share;
- 33,995 shares of common stock which will become issuable to the lenders under the Loan Agreement upon the exercise of the Lender Warrants, at a weighted-average exercise price of $0.63 per share;
- shares of common stock reserved for future issuance under the 2020 Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under the Prior Plan, which shares will be added to the 2020 Plan upon its effectiveness); and
- shares of common stock reserved for future issuance under the ESPP, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

DILUTION

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

Our historical net tangible book deficit as of September 30, 2020 was $, or $ per share of our common stock. Our historical net tangible book deficit is the amount of our total tangible assets less our total liabilities and redeemable convertible preferred stock, which is not included within stockholders' equity (deficit). Historical net tangible book deficit per share represents our historical net tangible book deficit divided by the number of shares of our common stock outstanding as of September 30, 2020 (excluding shares subject to forfeiture or our right to repurchase).

Our pro forma net tangible book value as of September 30, 2020 was $, or $ per share of our common stock. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to the conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of shares of our common stock in connection with the closing of this offering. Pro forma net tangible book value per share represents our pro forma net tangible book value divided by the number of shares of our common stock outstanding as of September 30, 2020, after giving effect to the pro forma adjustments described above.

After giving further effect to our issuance and sale of shares of our common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2020 would have been $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value per share of $ to existing stockholders and immediate dilution of $ in pro forma as adjusted net tangible book value per share to new investors purchasing common stock in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of September 30, 2020	$	
Increase per share attributable to the automatic conversion of redeemable convertible preferred stock upon the closing of this offering		
Pro forma net tangible book value per share as of September 30, 2020		
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors purchasing shares in this offering		$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, our pro forma as adjusted net tangible book value by $ million, our pro forma as adjusted net tangible book value per share after this offering by $ and dilution per share to new investors purchasing shares in this offering by $, assuming that the number of shares

offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase 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 the pro forma as adjusted net tangible book value per share after this offering by $ and decrease the dilution per share to new investors participating in this offering by $, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 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 decrease the pro forma as adjusted net tangible book value per share after this offering by $ and increase the dilution per share to new investors participating in this offering by $, assuming that the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, our pro forma as adjusted net tangible book value per share after this offering would be $ per share, representing an immediate increase in pro forma as adjusted net tangible book value per share of $ to existing stockholders and immediate dilution in pro forma as adjusted net tangible book value per share of $ to new investors purchasing common stock in this offering, assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If any shares are issued upon exercise of outstanding options, you will experience further dilution.

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

	Shares Purchased		Total Consideration		Weighted-Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders before this offering		%	$	%	$
Investors purchasing shares in this offering					$
Total		100.0%	$	100.0%	

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

by percentage points, assuming that the assumed initial public offering price remains the same.

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

The foregoing tables and calculations are based on shares of our common stock outstanding as of September 30, 2020 after giving effect to the pro forma adjustments described above (which excludes shares outstanding that are subject to forfeiture or our right to repurchase as of such date, and which are therefore not considered outstanding for accounting purposes), and excludes:

- shares of our common stock issuable upon the exercise of outstanding stock options as of September 30, 2020, with a weighted-average exercise price of $ per share;
- shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to September 30, 2020, with a weighted-average exercise price of $ per share;
- 33,995 shares of common stock which will become issuable to the lenders under the Loan Agreement upon the exercise of the Lender Warrants, at a weighted-average exercise price of $0.63 per share;
- shares of common stock reserved for future issuance under the 2020 Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under the Prior Plan, which shares will be added to the 2020 Plan upon its effectiveness); and
- shares of common stock reserved for future issuance under the ESPP, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

To the extent that any outstanding options are exercised, or new options or other equity awards are issued under our equity incentive plans, you will experience further dilution. In addition, to the extent that additional capital is raised through the sale of equity or convertible debt securities in the future, the issuance of these securities may result in further dilution to our stockholders.

SELECTED FINANCIAL DATA

The following tables set forth our selected financial data as of, and for the periods ended on, the dates indicated. We have derived the selected statements of operations and comprehensive loss data for the years ended December 31, 2018 and 2019 and the selected balance sheet data as of December 31, 2018 and 2019 from our audited financial statements included elsewhere in this prospectus. We have derived the selected statements of operations and comprehensive loss data for the nine months ended September 30, 2019 and 2020 and the selected balance sheet data as of September 30, 2020 from our unaudited interim condensed financial statements included elsewhere this prospectus. Our unaudited interim condensed financial statements have been prepared in a basis consistent with our audited financial statements and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the financial information in those statements. You should read the following selected financial data together with our financial statements and the related notes included elsewhere in this prospectus and in the section of this prospectus titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our historical results are not necessarily indicative of results that should be expected in any future period, and our results for any interim period are not necessarily indicative of results that should be expected for any full year.

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
	(in thousands, except share and per share amounts)			
Statements of Operations Data:				
Operating expenses:				
Research and development	$ 14,804	$ 21,505	$	$
General and administrative	3,516	2,562		
Total operating expenses	18,320	24,067		
Loss from operations	(18,320)	(24,067)		
Change in fair value of redeemable convertible preferred stock purchase option liability	698	—		
Interest income, net	43	100		
Net loss and comprehensive loss	$ (17,579)	$ (23,967)	$	$
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (7.84)	$ (9.77)	$	$
Weighted-average shares of common stock used in computing net loss per share attributable to common stockholders, basic and diluted(1)	2,241,942	2,453,937		
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		$		$
Pro forma-weighted average shares of common stock used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)				

(1) See Notes 2, 16 and 17 to our audited financial statements included elsewhere in this prospectus for details on the calculation of our basic and diluted net loss per share attributable to common stockholders and our basic and diluted pro forma net loss per share attributable to common stockholders, and the weighted-average number of shares used in computing the per share amounts.

	As of December 31,		As of September 30,
	2018	2019	2020
		(in thousands)	(unaudited)
Balance Sheet Data:			
Cash and cash equivalents	$ 20,160	$ 9,976	$
Working capital(1)	15,634	(7,398)	
Total assets	27,547	15,647	
Total liabilities	9,350	21,250	
Redeemable convertible preferred stock	53,174	53,174	
Total stockholders' (deficit) equity	(34,977)	(58,777)	

(1) Working capital is defined as current assets less current liabilities. See our financial statements and the related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

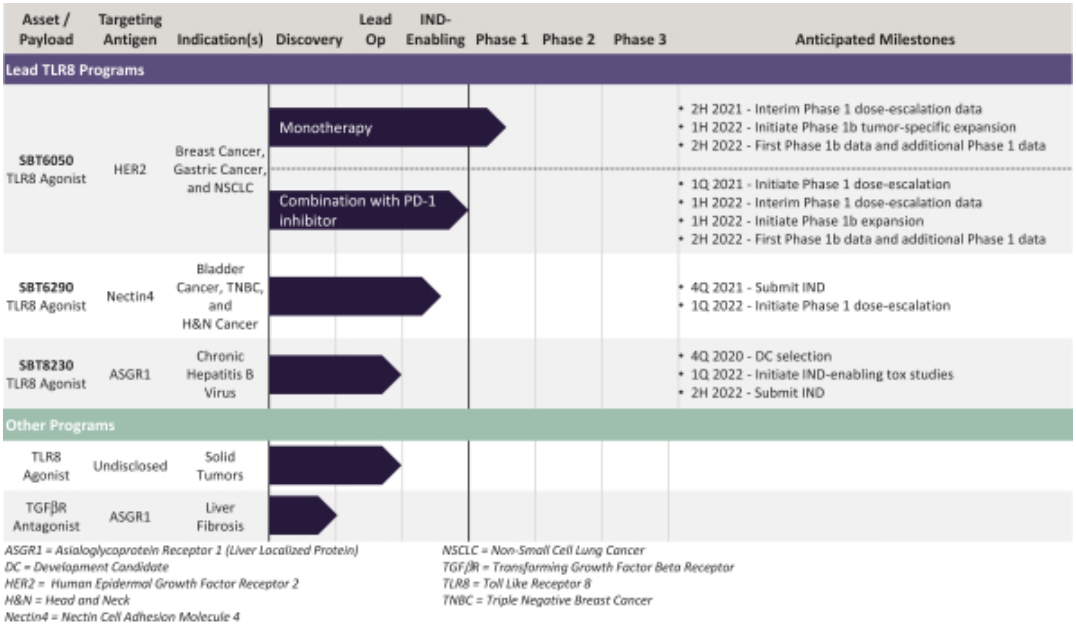
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the section of this prospectus titled "Selected Financial Data" and our financial statements and related notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis are set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, and includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section of this prospectus titled "Risk Factors," our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a clinical-stage biopharmaceutical company focused on leveraging our proprietary ImmunoTAC technology platform to develop systemically delivered, tissue targeted therapeutics for the treatment of cancer, chronic viral infections, and other serious diseases. Our platform enables us to strategically pair proprietary linker-payloads that modulate key disease-modifying pathways with monoclonal antibodies directed to specific disease sites. Initially, we are applying our platform to create a new class of targeted immuno-oncology agents that direct a myeloid cell activator to the tumor microenvironment in solid tumors to promote cancer cell killing. Our lead product candidate, SBT6050, is comprised of a TLR8 linker-payload conjugated to a HER2-directed monoclonal antibody that targets tumors such as certain breast, gastric and non-small cell lung cancers among others. SBT6050 is currently in a Phase 1/1b clinical trial in patients with advanced or metastatic HER2-expressing solid tumors. In this trial, we have observed single agent pharmacological activity in the first dose cohort, and we anticipate providing an update on interim data from the Phase 1 dose-escalation cohorts in the second half of 2021. SBT6290 is our second product candidate, expanding on the potential of a TLR8 agonist as a payload. SBT6290 is a TLR8 linker-payload conjugated to a monoclonal antibody that targets Nectin4, which is expressed in certain bladder, triple negative breast, head and neck, and non-small cell lung cancers. We anticipate submitting an investigational new drug application for SBT6290 in the fourth quarter of 2021. Our third TLR8 program, SBT8230, is comprised of a TLR8 linker-payload conjugated to an ASGR1 monoclonal antibody that is under development for the treatment of cHBV. We are also developing agents that localize therapies to modulate important pathways in additional oncology and fibrosis indications using TLR8 and other linker-payloads.

Our ImmunoTAC platform drives our pipeline of tissue targeted therapeutic candidates as summarized in the chart below:



We were incorporated in January 2016. To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, developing and optimizing our technology platform, identifying potential product candidates, undertaking research and preclinical studies and a clinical trial for our lead program, engaging in manufacturing for our development programs, establishing and enhancing our intellectual property portfolio, and providing general and administrative support for these operations. We have one product candidate in early clinical development and all of our other product candidates are in preclinical development, and none have been approved for commercial sale. We have never generated any revenue from product sales and have incurred net losses each year since we commenced operations. We have funded our operations solely through private placements of our redeemable convertible preferred stock, convertible debt financings and term loan facility.

From inception to December 31, 2019, we raised aggregate gross proceeds of $65.0 million from the issuance of shares of our redeemable convertible preferred stock and the issuance of convertible notes. In March 2020, we issued 10,027,666 shares of our Series B redeemable convertible preferred stock for gross proceeds of $21.5 million and 4,673,388 shares upon conversion of then outstanding convertible notes. In July 2020, we issued 10,669,834 additional shares of our Series B redeemable convertible preferred stock for gross proceeds of $23.0 million. In September 2020, we issued 11,063,028 additional shares of our Series B redeemable convertible preferred stock for gross proceeds of $23.9 million and 24,926,685 shares of our Series C redeemable convertible preferred stock for gross proceeds of $84.9 million. We have incurred significant operating losses since our inception and have not yet generated any revenue. Our net losses were $17.6 million and $24.0 million for the years ended December 31, 2018 and 2019, respectively. As of December 31, 2019, we had an accumulated deficit of $63.8 million and cash and cash equivalents of $10.0 million.

We expect our expenses will increase substantially and that we will to continue to incur significant losses for the foreseeable future as we continue our development of, and seek regulatory approvals

for, our product candidates and begin to commercialize any approved products, seek to expand our product pipeline, invest in our organization and technology platform, as well as incur expenses associated with operating as a public company. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on a variety of factors including the timing and scope of our preclinical studies and clinical trials.

Moreover, we do not expect to generate any revenues from product sales unless and until we successfully complete development and obtain regulatory approval for one or more product candidates, which will not be for many years, if ever. Accordingly, until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through public or private equity offerings, debt financings, or other capital sources which may include strategic collaborations, licensing arrangements or other arrangements with third parties. However, we may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms or at all. If we raise funds through strategic collaborations or other similar arrangements with third parties, we may have to relinquish valuable rights to our platform technology, future revenue streams, research programs or product candidates or may have to grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts. Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or otherwise. Because of the numerous risks and uncertainties associated with product development, we cannot predict the timing or amount of increased expenses and cannot assure you that we will ever be profitable or generate positive cash flow from operating activities. Based upon our current operating plan, we estimate that our existing cash and cash equivalents as of the date of this prospectus, together with the estimated net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements for at least the next months.

Our antibody drug conjugates are produced by chemical conjugation of non-cytotoxic linker-payloads to monoclonal antibodies. While we have significant internal expertise in engineering and humanization of antibodies and designing linker-payloads to customize drug conjugates for a desired target profile, we do not own or operate, and currently have no plans to establish, any GMP manufacturing facilities. We operate on an outsourced model and rely on contracts with third-party GMP-licensed development and manufacturing organizations to produce and test the intermediates, drug substance and drug product to support clinical development, and commercialization, if any of our product candidates obtain marketing approval. We are working with these manufacturers to scale up our manufacturing capabilities to support our clinical plans. We also rely on third parties to package, label, store and distribute our product candidates, as well as for our commercial products if marketing approval is obtained. We believe that this strategy allows us to maintain a more efficient infrastructure by eliminating the need for us to invest on our own manufacturing facilities, equipment and personnel while also enabling us to focus our expertise and resources on the design and development of our product candidates.

The global COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the COVID-19 situation closely. The extent of the impact of the COVID-19 on our business, operations and clinical development timelines and plans remains uncertain, and will depend on certain developments, including the duration and spread of the outbreak and its impact on our clinical trial enrollment, trial sites, CROs, third-party manufacturers, and other third parties with whom we do business, as well as its impact on regulatory authorities and our key scientific and management personnel. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. To the extent possible, we are conducting business as usual, with necessary or advisable

modifications to employee travel and most of our non-lab based employees working remotely. We will continue to actively monitor the rapidly evolving situation related to COVID-19 and may take further actions that alter our operations, including those that may be required by federal, state or local authorities, or that we determine are in the best interests of our employees and other third parties with whom we do business. At this point, the extent to which the COVID-19 pandemic may affect our business, operations and clinical development timelines and plans, including the resulting impact on our expenditures and capital needs, remains uncertain and is subject to change.

Our License Agreements

Below is a summary of the key terms for certain of our license agreements. For a more detailed description of these agreements, see the section of this prospectus titled “Business—License Agreements.”

Components of Our Results of Operations

Operating Expenses

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

Research and Development

Our research and development expenses consist primarily of direct and indirect costs incurred in connection with the development of our ImmunoTAC technology platform, product candidates, discovery efforts and preclinical study and clinical trial activities related to our program pipeline, including our lead product candidate, SBT6050.

Our direct costs include:

- expenses incurred under agreements with CROs and other vendors that conduct our preclinical and clinical activities;
- expenses associated with manufacturing our product candidates including under agreements with CDMOs and other vendors; and
- consulting fees.

Our indirect costs include:

- personnel-related expenses, consisting of employee salaries, bonuses, benefits, and stock-based compensation expense and recruiting costs for personnel engaged in research and development activities;
- facility and equipment related expenses, consisting of indirect and allocated expenses for rent, depreciation, and equipment maintenance; and
- other unallocated research and development expenses incurred in connection with our research and development programs, including laboratory materials and supplies and license fees.

We expense research and development costs as incurred. Non-refundable advance payments for goods and services that will be used over time for research and development are capitalized and recognized as goods are delivered or as the related services are performed. In-licensing fees and other

costs to acquire technologies used in research and development that have not yet received regulatory approval and that are not expected to have an alternative future use are expensed when incurred. We track direct costs by stage of program, clinical or preclinical. However, we do not track indirect costs on a program specific or stage of program basis because these costs are deployed across multiple programs and, as such, are not separately classified.

We expect that our research and development expenses will substantially increase for the foreseeable future as we continue the clinical development of SBT6050 and discovery and development of our other and new product candidates, particularly as more of our product candidates moves into later stages of development later stage development typically costs more. As of the date of this prospectus, we cannot reasonably determine the timing of initiation, the duration or the completion costs of future clinical trials and preclinical studies of product candidates due to the inherently unpredictable nature of preclinical and clinical development. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. We anticipate that we will make determinations as to which product candidates and development programs to pursue and how much funding to direct to each product candidate or program on an ongoing basis in response to the results of ongoing and future preclinical studies and clinical trials, regulatory developments and our ongoing assessments as to each product candidate's commercial potential. We will need to raise substantial additional capital in the future. In addition, we cannot forecast which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Our future research and development costs may vary significantly based on a wide variety of factors, such as:

- the scope, rate of progress, expense and results of our discovery and preclinical development activities;
- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients who participate in the trials, including the number needed to determine a recommended Phase 2 dose for SBT6050;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the phase of development of the product candidate;
- the efficacy and safety profiles of the product candidate;
- the timing, receipt, and terms of any approvals from applicable regulatory authorities including the FDA and non-U.S. regulators;
- maintaining a continued acceptable safety profile of our product candidates following approval, if any, of our product candidates;

- significant and changing government regulation and regulatory guidance;
- establishing clinical and commercial manufacturing capabilities or making arrangements with third-party manufacturers in order to ensure that we or our third-party manufacturers are able to make product successfully;
- the impact of any business interruptions to our operations or to those of the third parties with whom we work, particularly in light of the current COVID-19 pandemic environment; and
- the extent to which we establish additional strategic collaborations or other arrangements.

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

The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates may be affected by a variety of factors. We may never succeed in achieving regulatory approval for any of our product candidates. Further, a number of factors, including those outside of our control, could adversely impact the timing and duration of our product candidates' development, which could increase our research and development expenses.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses, including employee salaries, bonuses, benefits, and stock-based compensation, and recruiting costs for personnel in executive, finance, and other administrative functions. Other significant general and administrative expenses include legal fees relating to intellectual property and corporate matters, professional fees for accounting, tax and consulting services, insurance costs, travel expenses and facility related expenses.

We expect that our general and administrative expenses will substantially increase for the foreseeable future as we continue to increase our general and administrative headcount to support our continued research and development activities and, if any product candidates receive marketing approval, commercialization activities, as well as to support our operations generally. We also expect to incur increased expenses associated with operating as a public company, including costs related to accounting, audit, legal, regulatory, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs, and investor and public relations costs.

Change in Fair Value of Redeemable Convertible Preferred Stock Purchase Option Liability

As part of our Series A redeemable convertible preferred stock purchase agreement, certain investors were granted an option to purchase up to 2,142,856 shares of additional Series A redeemable convertible preferred stock at a purchase price of $3.50 per share for a period of 180 days following the initial closing of that financing. These preferred stock purchase options met the definition of freestanding instruments and were therefore recorded as a liability on our balance sheets at their fair value. The liability was revalued at each reporting period with changes in its fair value recorded in our statements of operations and comprehensive loss as change in fair value of redeemable convertible preferred stock purchase option liability until its settlement in December 2018, at which time the final liability balance was reclassified to redeemable convertible preferred stock.

Interest Income, Net

Interest income, net includes interest earned on our cash and cash equivalents carried at fair value, and interest expense on our borrowings.

Results of Operations

Comparison of the Years Ended December 31, 2018 and 2019

The following table summarizes our results of operations for the years ended December 31, 2018 and 2019:

	Year Ended December 31,		Dollar Change	% Change
	2018	2019		
	(in thousands)			
Operating expenses:				
Research and development	$ 14,804	$ 21,505	$ 6,701	45%
General and administrative	3,516	2,562	(954)	(27)
Total operating expenses	18,320	24,067	5,747	31
Loss from operations	(18,320)	(24,067)	(5,747)	31
Change in fair value of redeemable convertible preferred stock purchase option liability	698	—	(698)	(100)
Interest income, net	43	100	57	133
Net loss and comprehensive loss	$(17,579)	$(23,967)	$(6,388)	36%

Research and Development Expenses

The following table summarized our research and development expenses for the years ended December 31, 2018 and 2019:

	Year Ended December 31,		Dollar Change	% Change
	2018	2019		
	(in thousands)			
Direct costs:				
SBT6050	$ 3,013	$ 8,723	$5,710	190%
Preclinical programs	2,375	2,297	(78)	(3)
Total direct costs	5,388	11,020	5,632	105
Indirect costs:				
Personnel-related expenses, including stock-based compensation	5,465	6,571	1,106	20
Facility and equipment related expenses	2,131	2,250	119	6
Other unallocated research and development expenses	1,820	1,664	(156)	(9)
Total research and development expenses	$14,804	$21,505	$6,701	45%

Research and development expenses were $14.8 million and $21.5 million for the years ended December 31, 2018 and 2019, respectively. The increase of $6.7 million was due primarily to an increase of $5.7 million of research and manufacturing expenses related to the development of SBT6050 as the program moved into the later stages of preclinical development which typically have higher costs than earlier stages. To a lesser extent the increase was also due to increases in personnel-related expenses of $1.1 million and facility and equipment related expenses of $0.1 million. These increases were, partially offset by decreases in other unallocated research and development expenses of $0.2 million and preclinical programs of $0.1 million.

General and Administrative Expenses

General and administrative expenses were $3.5 million and $2.6 million for the years ended December 31, 2018 and 2019, respectively. The decrease of $0.9 million was due primarily to decreases of $0.8 million in personnel-related expenses due to lower executive headcount in 2019, as well as decreasing severance, salaries, and stock-based compensation. To a lesser extent the decrease in general and administrative expenses was due to a decrease in patent legal expenses of $0.3 million, which was partially offset by an increase of $0.2 million in consulting fees.

Change in Fair Value of Redeemable Convertible Preferred Stock Purchase Option Liability

The change in the fair value of redeemable convertible preferred stock purchase option liability was $0.7 million for the year ended December 31, 2018. The liability was settled in December 2018 upon issuance of shares of our Series A redeemable convertible preferred stock at which time the final liability balance was reclassified to redeemable convertible preferred stock.

Interest Income, Net

Interest income, net was $43,000 and $100,000 for the years ended December 31, 2018 and 2019, respectively. The increase of $57,000 is primarily due to an increase in interest earned on our cash and cash equivalents due to changes in interest rates.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations almost exclusively with proceeds from the sale and issuance of shares of our redeemable convertible preferred stock and debt financings, and we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, developing and optimizing our technology platform, identifying potential product candidates, undertaking research and preclinical studies and a clinical trial for our lead program, engaging in manufacturing for our development programs, establishing and enhancing our intellectual property portfolio, and providing general and administrative support for these operations. From inception to December 31, 2019, we raised aggregate gross proceeds of $65.0 million from the issuance of shares of our redeemable convertible preferred stock and the issuance of convertible notes. In March 2020, we issued 10,027,666 shares of our Series B redeemable convertible preferred stock for gross proceeds of $21.5 million and 4,673,388 shares upon conversion of then outstanding convertible notes. In July 2020, we issued 10,669,834 additional shares of our Series B redeemable convertible preferred stock for gross proceeds of $23.0 million. In September 2020, we issued 11,063,028 additional shares of our Series B redeemable convertible preferred stock for gross proceeds of $23.9 million and 24,926,685 shares of our Series C redeemable convertible preferred stock for gross proceeds of $84.9 million. We do not have any products approved for sale and have not generated any revenue from product sales or otherwise. We have incurred net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. As of December 31, 2019, we had $10.0 million in cash and cash equivalents.

Future Funding Requirements

Based on our current operating plan, without giving effect to the anticipated net proceeds from this offering, we believe that our cash and cash equivalents of $10.0 million at December 31, 2019 together with the net proceeds from our Series B and Series C redeemable convertible preferred stock financings received in 2020, will be sufficient to fund our operating expenses and capital expenditure

requirements through at least 12 months following the date of this prospectus. Further, based on our current operating plan, we estimate that our existing cash and cash equivalents as of the date of this prospectus, together with the estimated net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements through at least the next months. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and we could deplete our capital resources sooner than we expect. Additionally, the process of testing product candidates in clinical trials is costly, and the timing of progress and expenses in these trials is uncertain.

Our future capital requirements will depend on many factors, including:

- the initiation, trial design, progress, timing, costs and results of drug the discovery, preclinical studies and clinical trials of our product candidates, and in particular the clinical trials for SBT6050;
- the number and characteristics of product candidates that we pursue;
- the length of our clinical trials, including, among other things, as a result of delays in enrollment, difficulties enrolling sufficient subjects or delays or difficulties in clinical trial site initiations;
- the outcome, timing and costs of seeking FDA, EMA and any other regulatory approvals;
- the costs of manufacturing our product candidates, in particular for clinical trials in preparation for marketing approval and in preparation for commercialization;
- the costs of any third-party products used in our combination clinical trials that are not covered by such third party or other sources;
- the costs associated with hiring additional personnel and consultants as our preclinical, manufacturing and clinical activities increase;
- the receipt of marketing approval and revenue received from any commercial sales of any of our product candidates, if approved;
- the cost of commercialization activities for any of our product candidates, if approved, including marketing, sales and distribution costs;
- the emergence of competing therapies and other adverse market developments;
- the ability to establish and maintain strategic collaboration, licensing or other arrangements and the financial terms of such agreements;
- the extent to which we in-license or acquire other products and technologies;
- the amount and timing of any payments we may be required to make pursuant to our current or future license agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- our need and ability to retain key management and hire scientific, technical, business, and medical personnel;
- our implementation of additional internal systems and infrastructure, including operational, financial and management information systems;
- or costs associated with expanding our facilities or building out our laboratory space;

- the effects of the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide from the COVID-19 pandemic; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial product revenues to support our cost structure, we expect to finance our cash needs through public or private equity offerings, debt financings, or other capital sources which may include strategic collaborations, licensing arrangements or other arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise funds through strategic collaborations or other similar arrangements with third parties, we may have to relinquish valuable rights to our platform technology, future revenue streams, research programs or product candidates or may have to grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts. Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or otherwise. Because of the numerous risks and uncertainties associated with product development, we cannot predict the timing or amount of increased expenses and cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

Cash Flows

The following table sets forth a summary of the net cash flow activity for the years ended December 31, 2018 and 2019:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$(16,875)	$(18,898)
Investing activities	(449)	(96)
Financing activities	19,399	8,610
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 2,075	$(10,384)

Operating Activities

During the year ended December 31, 2019, net cash used in operating activities was $18.9 million. This consisted primarily of a net loss of $24.0 million, partially offset by a decrease in our operating assets and liabilities of $3.3 million and non-cash charges of $1.8 million. The non-cash charges primarily consisted of non-cash lease expense of $1.0 million, depreciation expense of $0.5 million, stock-based compensation expense of $0.2 million, and amortization of debt issuance costs of $0.1 million. The decrease in our operating assets and liabilities was primarily due to an increase in accounts payable and accrued liabilities of $4.0 million and a decrease in prepaid expenses and other assets of $0.1 million, partially offset by a decrease in our lease liability of $0.8 million.

During the year ended December 31, 2018, net cash used in operating activities was $16.9 million. This consisted primarily of a net loss of $17.6 million, partially offset by non-cash charges of $1.1 million and an increase in our operating assets and liabilities of $0.4 million. The non-cash charges primarily consisted of non-cash lease expense of $0.9 million, depreciation expense of $0.5 million, stock-based compensation expense of $0.3 million, and amortization of debt issuance costs of $0.1 million, partially offset by the change in fair value of redeemable convertible preferred stock purchase option liability of $0.7 million. The increase in our operating assets and liabilities was due to a decrease in our lease liability of $0.7 million and an increase in prepaid expenses and other assets of $0.3 million, partially offset by an increase in accounts payable and accrued liabilities of $0.5 million.

Investing Activities

During the year ended December 31, 2019, cash used in investing activities was $0.1 million due to purchases of property and equipment.

During the year ended December 31, 2018, cash used in investing activities was $0.4 million due to purchases of property and equipment.

Financing Activities

During the year ended December 31, 2019, cash provided by financing activities was $8.6 million. This consisted primarily of net proceeds received from the issuance of our convertible notes of $10.0 million, which was partially offset by principal payments on term loan payable of $1.4 million.

During the year ended December 31, 2018, cash provided by financing activities was $19.4 million. This consisted primarily of net proceeds received from the issuance of shares of our redeemable convertible preferred stock of $20.0 million and from proceeds from exercises of stock options of $0.3 million, which was partially offset by principal payments on term loan payable of $0.9 million.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments at December 31, 2019:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Operating lease obligations[1]	$4,787	$ 1,099	$3,688	$—	$ —
Term loan payable[1],[2]	1,565	716	849	—	—
Total	$6,352	$ 1,815	$4,537	$—	$ —

(1) Refer to Notes 6 and 7 to our audited financial statements included elsewhere in this prospectus for additional information.
(2) Payments due for the term loan include both principal and interest portions calculated using the interest rate at December 31, 2019 of 1.75%. The contractual payments in the table above reflect the second amendment entered into in April 2020 as discussed further below.

Under our license agreements, we have payment obligations that are contingent upon future events such as our achievement of specified development, regulatory and commercial milestones and are required to make royalty payments in connection with the sales of products developed under those

agreements. As of December 31, 2019, we were unable to estimate the timing or likelihood of achieving the milestones or making future product sales and, therefore, any related payments are not included in the table above. For additional details regarding these agreements, see the section of this prospectus titled “Business—License Agreements.”

In November 2016, we entered into a loan and security agreement with SVB that allowed borrowings up to $5.0 million in two tranches, the first that was immediately drawn and the second to be drawn before December 31, 2017 if certain financing milestones were met. We drew $3.5 million in the first tranche, and the second tranche expired undrawn. The outstanding principal amount of the term loan accrues interest at an annual rate of 1.75% per annum. At closing, we incurred de minimis debt issuance costs and owed a final payment fee of $0.3 million, both of which are amortized to interest expense over the remaining term of the debt under the effective interest method. The effective interest rate of our term loan is 5.14%. In April 2020, SVB amended our term loan to defer principal payments for six months and extend the maturity date to May 1, 2021, which we determined to be a debt modification.

In October 2019, we issued convertible promissory notes for gross proceeds of $10.0 million. The notes were unsecured, bore an interest rate of 3% per year, and had a maturity date of March 31, 2020. In March 2020, these notes converted into 4,673,388 shares of our Series B redeemable convertible preferred stock at the Series B redeemable convertible preferred stock issuance price of $2.16 per share. There was no settlement in the form of cash payment.

In October 2019, we entered into a cell line license agreement with WuXi Biologics (Hong Kong) Limited (WuXi Bio), pursuant to which we received a non-exclusive, worldwide, sublicensable license under certain of WuXi Bio’s intellectual property rights, know-how and biological materials (the WuXi Bio Licensed Technology) to make, use, sell, offer for sale and import developed through the use of the WuXi Bio Licensed Technology (the WuXi Bio Licensed Product). In consideration for the license, we paid a low six figures license fee to WuXi Bio which was recorded in research and development expense in 2019. We may be required to pay an additional license fee in the mid five figures if we manufacture one or more additional WuXi Bio Licensed Products. Additionally, if we do not engage WuXi Bio to manufacture the WuXi Bio Licensed Products for our clinical and commercial supplies, we are required to make aggregate milestone payments of up to an amount in the low eight figures to WuXi Bio upon the achievement of certain sales milestones. To date, other than the license fee, no payments have been made under this agreement.

We enter into contracts in the normal course of business with clinical supply manufacturers and with vendors for preclinical studies, research supplies and other services and products for operating purposes. These contracts generally provide for termination after a notice period, and, therefore, are cancelable contracts and not included in the table above.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Significant Judgments and Estimates

Our management’s discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and

expenses and the disclosure of contingent assets and liabilities in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to accrued expenses, stock-based compensation, and valuation allowances for deferred tax assets. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

Research and Development Expenses

All research and development costs are expensed in the period incurred. Advance payments, including nonrefundable amounts, for goods or services that will be used or rendered for future research and development activities are capitalized until such goods are delivered or the related services are performed, or such time when we do not expect the goods to be delivered or services to be performed. We estimate the period over which such services will be performed and the level of effort to be expended in each period. If actual timing of performance or the level of effort varies from the estimate, we will adjust the amounts recorded accordingly. We have not experienced any material differences between accrued or prepaid costs and actual costs since our inception.

Stock-Based Compensation

We maintain a stock-based compensation plan as a long-term incentive for our employees, non-employee directors and consultants. The plan allows for the issuance of incentive stock options, non-qualified stock options, restricted stock units, and other forms of equity awards.

We recognize stock-based compensation expense for stock options on a straight-line basis over the requisite service period and account for forfeitures as a reduction of stock-based compensation expense as they occur. Our stock-based compensation costs are based upon the grant date fair value of options estimated using the Black-Scholes option pricing model. Stock-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized, and any previously recognized compensation expense is reversed.

To the extent any stock option grants are made subject to the achievement of a performance-based milestone, management evaluates when the achievement of any such performance-based milestone is probable based on the relative satisfaction of the performance conditions as of the reporting date.

The option plan permits, but does not require, the inclusion of early exercise provisions in individual awards. Proceeds from early option exercises are recorded as a liability until the underlying restricted shares vest. While the restricted shares have voting rights, they are not considered outstanding for accounting purposes.

The Black-Scholes option pricing model utilizes inputs which are highly subjective assumptions and generally require significant judgment. These assumptions include:

- *Fair Value of Common Stock*. See the subsection titled “—Common Stock Valuations” 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 mid-point between the vesting date and the end of the 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 10 to our audited 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 $0.3 million and $0.1 million for the years ended December 31, 2018 and 2019, respectively. As of December 31, 2019, there was $0.3 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 2.7 years. 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 , 2020 was $ million based on the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately $ million was related to vested options and approximately $ million was related to unvested options.

Common Stock Valuations

Historically, for all periods prior to this offering, since there has been no public market of our common stock to date, the fair value of the shares of common stock underlying our share-based awards was estimated on each grant date by our board of directors. To determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, input from management, valuations of our common stock prepared by unrelated third-party valuation firms in accordance with the guidance provided by the American Institute of Certified Public Accountants 2013 Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the Practice Aid), and our board of directors' assessment of additional objective and subjective factors that it believed were relevant, and factors that may have changed from the date of the most recent valuation through the date of the grant. These factors include, but are not limited to:

- our results of operations and financial position, including our levels of available capital resources;
- our stage of development and material risks related to our business;
- progress of our research and development activities;
- our business conditions and projections;
- the lack of marketability of our common stock and our redeemable convertible preferred stock as a private company;
- the prices at which we sold shares of our redeemable convertible preferred stock to outside investors in arms-length transactions;
- the rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry;
- the likelihood of achieving a liquidity event for our securityholders, such as an initial public offering or a sale of our company, given prevailing market conditions;
- the hiring of key personnel and the experience of management;
- trends and developments in our industry; and
- external market conditions affecting the life sciences and biotechnology industry sectors.

For our valuations performed in 2019 and 2020, in accordance with the Practice Aid, we determined the hybrid method of the option pricing method (OPM) and the Probability-Weighted Expected Return Method (PWERM) was the most appropriate method for determining the fair value of our common stock based on our stage of development and other relevant factors.

The OPM uses option theory to value the various classes of a company's securities in light of their respective claims to the enterprise value. Total shareholders' equity value is allocated to the various share classes based upon their respective claims on a series of call options with strike prices at various value levels depending upon the rights and preferences of each class. A Black-Scholes closed form option pricing model is employed in this analysis, with an option term assumption that is consistent with the expected time to a liquidity event and a volatility assumption based on the estimated stock price volatility of a peer group of comparable public companies over a similar term.

The PWERM values each class of equity based on an analysis of the range of potential future enterprise values of the company and the manner in which those values would accrue to the owners of

the different classes of equity. This method involves estimating the overall value of the subject company under various liquidity event scenarios and allocating the value to the various share classes based on their respective claim on the proceeds as of the date of each event. These different scenarios typically include an initial public offering, an acquisition, or a liquidation of the business, each resulting in a different value. For each scenario, the future value of each share class is calculated and discounted to a present value. The results of each scenario are then probability weighted in order to arrive at an estimate of fair value for each share class as of a current date.

The hybrid method is a hybrid between the PWERM and OPM, estimating the probability-weighted value across multiple scenarios, but using the OPM to estimate the allocation of value within one or more of the scenarios. In our hybrid method, two types of future event scenarios were considered: an initial public offering (IPO) and a merger or acquisition of our company (M&A). Under both scenarios, the enterprise value was determined at each valuation date using a combination of the cost approach; the income approach, specifically a discounted cash flow analysis; and the market approach, specifically a backsolve to the last round of financing. The relative probabilities between the future exit scenarios were determined by our board of directors based on an analysis of performance and market conditions at the time, including then current IPO valuations of similarly situated companies and expectations as to the timing and likely prospects of future event scenarios.

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

Following the closing of this offering, our board of directors will determine the fair market value of our common stock based on its closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

Income Taxes

We recognize deferred income taxes for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. In evaluating our valuation allowance, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, and recent financial performance. Due to our lack of earnings history and uncertainties surrounding our ability to generate future taxable income, the net deferred tax assets have been fully offset by a valuation allowance.

As of December 31, 2019, we had net operating loss carryforwards for income tax purposes of approximately $59.9 million. If not used, $18.2 million of this carryforward will begin to expire in 2036 and $41.7 million has no expiration. We also have research and development tax credits of approximately $0.9 million which will begin to expire in 2036 if left unused.

Under Sections 382 and 383 of the Code, substantial changes in our ownership may limit the amount of NOL and research and development credit carryforwards that could be used annually in the future to offset taxable income. The tax benefits related to future utilization of federal and state NOL carryforwards, credit carryforwards, and other deferred tax assets may be limited or lost if cumulative changes in ownership exceeds 50% within any three-year period. We have not completed a Section 382/383 analysis under the Code regarding the limitation of NOL and credit carryforwards. If a change in ownership were to have occurred, the annual limitation may result in the expiration of NOL carryforwards and credits before utilization.

As of December 31, 2019, we did not have any liabilities for unrecognized income tax benefits associated with uncertain tax positions, including any interest and penalties.

Recent Accounting Pronouncements

See Note 2 to our audited financial statements included elsewhere in this prospectus for additional information.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

As of December 31, 2019, we had cash and cash equivalents of $10.0 million, $10.0 million of convertible notes and a term loan payable of $1.5 million. As of December 31, 2018 and 2019, our cash equivalents consisted of money market funds. Our exposure to interest rate risk from these assets and liabilities is not significant and we believe a hypothetical 100 basis point increase or decrease in interest rates during any of the periods presented would not have had a material impact on our financial statements included elsewhere in this prospectus.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and research, manufacturing and clinical development costs. We believe that inflation has not had a material effect on our financial statements included elsewhere in this prospectus.

Foreign Currency Exchange Risk

All of our employees and our operations are currently located in the United States and our expenses and payment obligations are denominated in and have been satisfied with U.S. dollars. There was no material foreign currency risk for the years ended December 31, 2018 or 2019. However, we have and will continue to enter into contracts with vendors outside of the United States for research and development services. In the future, some of these contracts may be denominated in foreign currencies and to the extent they are, we will be subject to foreign currency transaction gains or losses. To date, we have had no foreign currency transaction gains and losses, and we have not had a formal hedging program with respect to foreign currency. We believe a hypothetical 100 basis point increase or decrease in exchange rates during any of the periods presented would not have a material effect on our financial statements included elsewhere in this prospectus.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act, and we may remain an emerging growth company for up to five years following the completion of this offering. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. Accordingly, the information contained

herein may be different than the information you receive from other public companies in which you hold stock.

Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that 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 the new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest to occur of: (i) the last day of the fiscal year in which we have at least $1.07 billion in annual revenue; (ii) the last day of the fiscal year in which we are deemed to be a “large accelerated filer,” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such year; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt securities during the prior three-year period; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering.

BUSINESS

Overview

We are a clinical-stage biopharmaceutical company focused on leveraging our proprietary ImmunoTAC technology platform to develop systemically delivered, tissue targeted therapeutics for the treatment of cancer, chronic viral infections, and other serious diseases. Our platform enables us to strategically pair proprietary linker-payloads that modulate key disease-modifying pathways with monoclonal antibodies directed to specific disease sites. Initially, we are applying our platform to create a new class of targeted immuno-oncology agents that direct a myeloid cell activator to the tumor microenvironment (TME) in solid tumors to promote cancer cell killing. Our lead product candidate, SBT6050, is comprised of a TLR8 linker-payload conjugated to a HER2-directed monoclonal antibody that targets tumors such as certain breast, gastric and non-small cell lung cancers, among others. SBT6050 is currently in a Phase 1/1b clinical trial in patients with advanced or metastatic HER2-expressing solid tumors. In this trial, we have observed single agent pharmacological activity in the first dose cohort, and we anticipate providing an update on interim data from the Phase 1 dose-escalation cohorts in the second half of 2021. SBT6290 is our second product candidate, expanding on the potential of a TLR8 agonist as a payload. SBT6290 is a TLR8 linker-payload conjugated to a monoclonal antibody that targets Nectin4, which is expressed in certain bladder, triple negative breast, head and neck, and non-small cell lung cancers. We anticipate submitting an investigational new drug application (IND) for SBT6290 in the fourth quarter of 2021. Our third TLR8 program, SBT8230, is comprised of a TLR8 linker-payload conjugated to an ASGR1 monoclonal antibody that is under development for the treatment of chronic hepatitis B virus infection (cHBV). We are also developing agents that localize therapies to modulate important pathways in additional oncology and fibrosis indications using TLR8 and other linker-payloads.

Our ImmunoTAC Platform

Our ImmunoTAC platform is the result of a focused effort to discover ways to systemically deliver disease-modifying small molecules in a directed fashion to sites of disease. Many potentially promising systemic therapies fail to maximize their therapeutic potential due to toxicities in healthy tissues. Our approach is designed to increase the therapeutic window and avert unacceptable toxicities by directly targeting specific disease sites where our therapeutics are locally active.

As shown in the figure below, our ImmunoTAC platform is comprised of three components:

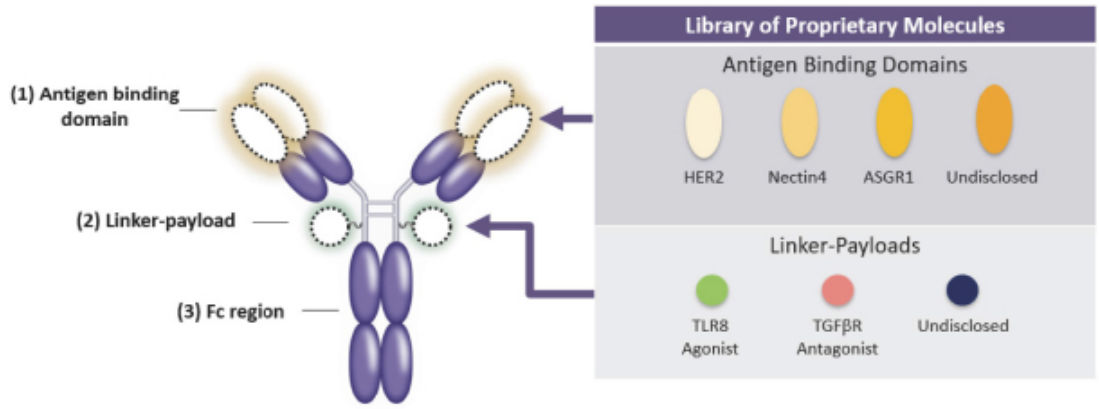
(1) **Antigen binding domain**—which is responsible for localizing the therapeutic activity of the payload to the site of the disease;

(2) **Linker-payload**—a disease-modifying small molecule optimized for potency when conjugated to a monoclonal antibody via its linker; and

(3) **Fc region**—tuned for requisite effector function.

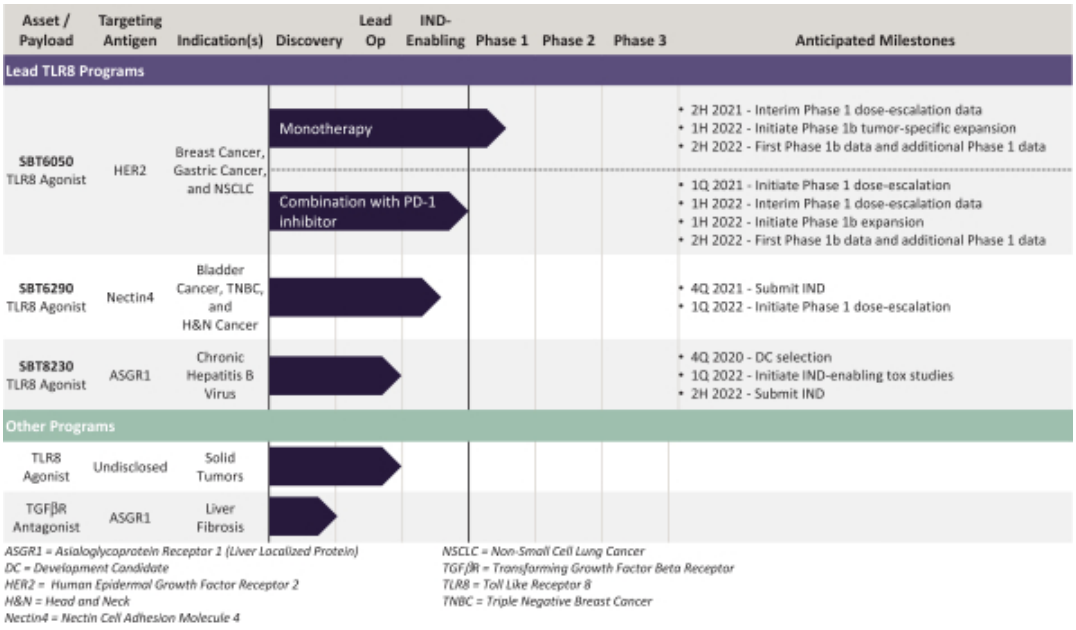
We have built a library of proprietary small molecule linker-payloads and antigen binding domains that allows us to mix and match these components to strategically pair and create new therapeutic agents.

Our ImmunoTAC Platform Strategically Pairs Antigen Binding Domains with Linker-Payloads to Modulate Pathways Underlying Difficult-to-Treat Diseases



Our Development Pipeline

Our ImmunoTAC platform drives our pipeline of tissue targeted therapeutic candidates as summarized in the chart below:



Tumor-Localized Myeloid Cell Activation

Myeloid cells are a class of innate immune cells that develop from common monocyte-dendritic cell progenitor cells and are comprised of both immunosuppressive and pro-inflammatory subpopulations. Tumors are permeated with myeloid cells, which can comprise between 5% and 10% of the tumor. Activation of myeloid cells, either by reprogramming immunosuppressive myeloid cells

towards a more pro-inflammatory phenotype or stimulating other myeloid cells that have been silenced (e.g., dendritic cells), results in direct tumor killing and recruitment of immune cells. Further, activated myeloid cells can prime and amplify T cell and natural killer (NK) cell responses, bridging the innate and adaptive immunity to elicit broad, durable anti-tumor responses.

SBT6050

Our lead product candidate, SBT6050, is comprised of a TLR8 linker-payload conjugated to a HER2-directed monoclonal antibody and is designed to activate myeloid cells in tumors expressing moderate or high levels of HER2. TLR8 is expressed in myeloid cell types prevalent in human tumors and TLR8 agonism can activate a broad spectrum of anti-tumor immune mechanisms. Therefore, we believe that TLR8 is the optimal target for activating human myeloid cell types in the TME.

SBT6050 utilizes HER2 to localize and facilitate the delivery of the TLR8 agonist conjugate into myeloid cells in the TME. Therefore, unlike HER2 targeted therapies that have been approved by the U.S. Food and Drug Administration (FDA) such as Herceptin (trastuzumab), SBT6050 does not require HER2 to be an oncogenic driver to elicit anti-tumor activity. Furthermore, SBT6050 recognizes the HER2 sub-domain II, the pertuzumab epitope, and does not cross-block trastuzumab, allowing for potential combinations with trastuzumab-based agents, which are standard of care therapies in some HER2-expressing cancers.

We are currently evaluating the safety and tolerability of SBT6050 in a Phase 1 dose-escalation trial in patients with advanced or metastatic HER2-expressing solid tumors. Single agent pharmacological activity has been observed in the first dose-escalation cohort of this trial. We anticipate providing an update on interim data from the Phase 1 dose-escalation cohorts in the second half of 2021.

SBT6290

SBT6290 is our second product candidate, expanding on the potential of a TLR8 agonist as a payload. The same TLR8 linker-payload used in SBT6050 is conjugated to a monoclonal antibody that targets Nectin4. Nectin4 is expressed in subsets of solid tumors including bladder, triple negative breast, head and neck, and non-small cell lung cancers, and has been clinically validated through the approval of the antibody-drug conjugate enfortumab vedotin (Padcev). We anticipate submitting the IND for SBT6290 in the fourth quarter of 2021.

SBT8230

SBT8230, an ASGR1-TLR8 ImmunoTAC therapeutic, is our third TLR8 program. SBT8230 is engineered to potently activate human myeloid cells in the liver for the treatment of cHBV. Selgantolimod (GS-9688), an existing untargeted, orally administered TLR8 agonist being developed by Gilead Sciences, generated anti-viral immune responses in a cHBV animal model. The clinical development of this untargeted TLR8 agonist has shown promise, but we believe that toxicity prevented the use of a sufficient dose to elicit optimal clinical activity. We believe liver- localized TLR8 agonism could better realize the potential for effective therapy and potentially lead to functional cures in patients suffering from cHBV. We anticipate selecting a development candidate for this program in the fourth quarter of 2020.

Additional Immuno-Oncology Programs

In addition to SBT6050 and SBT6290, we are evaluating other solid tumor targets to leverage the TLR8 linker-payload paired with additional tumor directed antibodies. These targets are differentially expressed on tumors compared to normal tissue.

ASGR1-TGFß Receptor—Fibrosis Program

TGFß signaling is a key mediator of fibrosis across multiple organ systems, including the liver. In the liver, TGFß drives fibrosis initiation and progression through multiple mechanisms, including hepatocyte apoptosis, hepatic stellate cell transdifferentiation to myofibroblasts, and pro-fibrotic macrophage activation. Our ASGR1-TGFßR1 antagonist conjugate pairs the ASGR1 antibody used in SBT8230 with a proprietary TGFßR1 antagonist to achieve liver-localized inhibition of TGFß signaling to treat fibrosis. Our tissue-directed approach has been designed to prevent toxicities associated with untargeted systemically distributed TGFßR1 antagonist agents. Our ASGR1-TGFßR1 antagonist conjugates are currently in preclinical testing and have demonstrated potent inhibition of TGFß signaling *in vitro*. We are currently evaluating conjugates *in vivo* in mouse disease models.

Our Strategy

Our goal is to transform the treatment of cancer and other serious diseases with unmet need using our ImmunoTAC platform to deliver a new class of systemically delivered, tissue-directed, and locally active therapies. The key elements of our business strategy are to:

- ***Advance SBT6050 through development and seek expedited approval.*** We are pursuing clinical development strategies that demonstrate proof-of-concept early and capitalize on the potential for accelerated approval. We are evaluating activity broadly across HER2-expressing cancer types, including cancers where no HER2-directed therapies are currently approved, and have identified several tumor types and lines of therapy that potentially present opportunities for accelerated approval.
- ***Advance SBT6050 into earlier lines of therapy.*** Our long-term clinical development goal is to position SBT6050 in early-line standard of care regimens in key indications to benefit the greatest number of patients. We seek to accomplish this by evaluating combination therapy approaches with therapeutics approved as standard of care. We believe SBT6050 has the potential to be an ideal combination therapy in early line settings.
- ***Maximize the therapeutic potential of TLR8 in oncology and other serious diseases.*** We are adapting learnings from our SBT6050 program to expand the TLR8 agonist franchise by conjugating this payload to antibodies that target different tumor antigens that are prevalent in other cancer types. Additionally, the ability to drive myeloid cell activation in the liver presents an opportunity to treat cHBV infections, which is our most advanced initiative outside of immuno-oncology.
- ***Leverage our ImmunoTAC platform for promising new antibody-linker-payload combinations.*** We are strategically pairing our disease-modulating payloads with tissue targeted antibodies, such as our ASGR1-TGFßR1 antagonist conjugate, to create new therapeutic agents with the goal of providing benefits to patients who suffer from cancer and other serious diseases. We plan to continue to leverage our ImmunoTAC platform, discovery of targeted binding proteins (including antibodies), and efficient therapeutic discovery infrastructure to discover and develop novel small molecule therapeutics and ImmunoTAC conjugates.
- ***Evaluate opportunities to accelerate development timelines and/or enhance the commercial potential of our programs in partnership with third parties***. We plan to selectively explore potential strategic partnerships on a program-by-program basis with biopharmaceutical partners whose research, development, commercial, and/or geographic capabilities complement our own. We believe strategic partnerships can help mitigate clinical and commercial risk, accelerate timelines, and/or maximize global commercial potential.

Our Team and Investors

We have assembled an accomplished management team with a proven track record of therapeutic development expertise and of generating meaningful shareholder value. The members of our team have deep experience in discovering, developing, and commercializing therapeutics with a particular focus on cancer, having worked at companies such as Synthorx (acquired by Sanofi), Juno Therapeutics (acquired by Celgene), Cascadian Therapeutics (acquired by Seattle Genetics), Acerta Pharma (acquired by AstraZeneca), Ignyta (acquired by Roche), Roche/Genentech, Seattle Genetics, SUGEN (acquired by Pharmacia), and Trubion Pharmaceuticals (acquired by Emergent Biosolutions).

Since our inception in 2016, we have raised over $215 million in capital from leading investors including OrbiMed Advisors, Alexandria Venture Investments, Boxer Capital of Tavistock Group, Celgene, Colt Ventures, EcoR1 Capital, Fidelity, Hunt Technology Ventures, Nantahala Capital Management, Nextech Invest, Pontifax, RA Capital, and U.S. Venture Partners.

Lead Product Candidate SBT6050: TLR8 Agonist Conjugated to a HER2 Antibody

SBT6050 is our lead product candidate, engineered using our ImmunoTAC platform. SBT6050 is comprised of a TLR8 agonist conjugated to a HER2-directed monoclonal antibody and is designed for subcutaneous delivery with tumor-localized activation of myeloid cells.

Background and Our Approach in Addressing Limitations with Current Immuno-oncology Therapies

Checkpoint inhibitors (CPIs) such as a programmed death receptor-1 (PD-1) and CTLA-4 blockers have emerged as important foundational immuno-oncology therapies because of their ability to generate durable responses in some patients in previously intractable cancers improving the overall survival. Despite the significant benefit for patients with durable responses to CPIs, most patients unfortunately do not respond or have limited benefit. One of the important reasons why patients do not respond to CPIs is the absence of a sufficient number of T cells within the tumor. To achieve an anti-tumor response with a CPI, a baseline level of T cells must already be present in the tumor. Scientists and clinicians have termed tumors that lack the requisite T cell levels as “immune cell deserts” or “cold tumors,” but more accurately, these are “T cell deserts.”

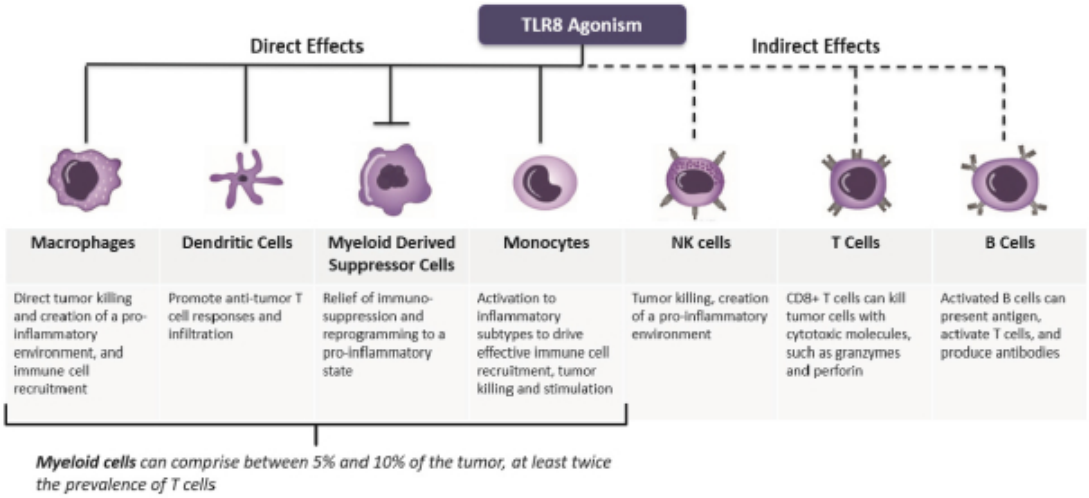
Solid tumors, including those resistant to T cell targeted immunotherapy such as PD-1 and CTLA-4 blockers, are permeated with myeloid cells, which can comprise between 5% and 10% of the tumor—at least twice the number of T cells in the TME. Myeloid cells are a class of innate immune cells comprised of both immunosuppressive and pro-inflammatory subpopulations. Activation of myeloid cells, either by reprogramming immunosuppressive myeloid cells towards a more pro-inflammatory phenotype or stimulating other myeloid cells that have been silenced (e.g., dendritic cells), results in direct tumor killing and recruitment of immune cells. Further, activated myeloid cells can prime and amplify T cell and NK cell responses, bridging the innate and adaptive immunity to elicit broad, durable anti-tumor responses. Successful activation of myeloid cells can lead to anti-tumor immunity, even in tumors that are refractory to immune checkpoint blockade, which we believe may bring substantial benefit to a larger fraction of patients.

We designed SBT6050 to potently activate the myeloid cell compartment in the TME. We performed a thorough assessment of innate immune receptors with the goal of identifying a payload target that was well expressed in human myeloid cells. We believe TLR8 is unique in its breadth of expression across human myeloid cell subpopulations and its restricted expression to the myeloid cell lineage. In consideration of internally generated data and emerging external research on human myeloid cell biology, we selected TLR8 as the best payload target for activation of myeloid cells resulting in direct tumor killing and recruitment and activation of additional immune cells, such as T cells and NK cells, to further effect the anti-tumor response.

Activating the Myeloid Cell Compartment Through TLR8 Agonism

Myeloid cells develop from common monocyte-dendritic cell progenitor cells and are critical mediators of innate immune responses. These cells are plastic in nature and their function and phenotype are heavily influenced by environmental cues. In the TME and tumor draining lymph nodes, macrophages, conventional dendritic cells, myeloid derived suppressor cells, and monocytes are highly prevalent, but also skewed towards inactive or immunosuppressive states. We believe TLR8 is the optimal target for activating these myeloid cell types due to its restricted expression and function within these cells. As shown in the figure below, TLR8 activation of human myeloid cells elicits an anti-tumor response through a multi-pronged mechanism of action, including direct tumor cell killing, recruitment of immune cells, and the secondary activation of NK cells, T cells and B cells, thus driving both an innate and adaptive immune response against the tumor.

TLR8 is Highly Expressed in Human Myeloid Cell Types That Drive Anti-Tumor Responses When Activated



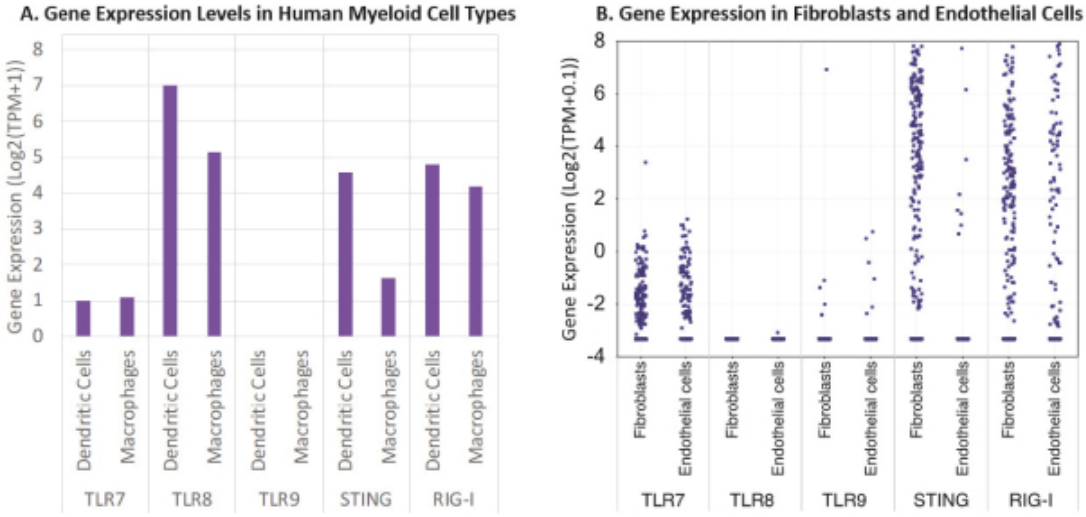
As a result of the broad immune activation triggered by a TLR8 agonist, systemically administered but untargeted TLR8 small molecule therapeutic candidates from other companies have resulted in an adverse event profile that we believe has limited achieving a dose level sufficient to produce the desired therapeutic benefit. For example, VentiRx licensed motolimod, a TLR8 small molecule agonist originally developed by Array Biopharma. Motolimod was the first TLR8 specific agonist tested in the clinic for the treatment of solid tumors. Early trials of subcutaneously administered motolimod yielded adverse events we believe to be consistent with broad myeloid cell activation in the periphery, including injection site reactions and symptoms associated with systemic cytokine release, which limited dose-escalation. As a result, we believe that sufficient drug exposures in the TME were not reached to elicit meaningful anti-tumor activity. Similarly, Gilead Sciences is developing an orally administered TLR8 agonist for the treatment of cHBV. This therapeutic has resulted in adverse events consistent with myeloid cell activation in the gastrointestinal tract, including diarrhea and nausea. We believe these two cases support our hypothesis that tissue directed, localized activation is critical to maximizing the therapeutic potential of a TLR8 agonist.

The selection of TLR8 as the optimal target to activate myeloid cells without activating other cell types outside of the hematopoietic lineage is supported by both external research and internal data. TLR8 was selected after bioinformatic and functional assessments of several innate immune receptor

targets. Intracellular localization and robust expression in myeloid cell compartments, with limited expression in non-immune FcR positive cells, were also key criteria in our payload selection.

As shown in figure A below, unlike other intracellular innate immune receptors, TLR8 is highly expressed in human myeloid cell types, including conventional dendritic cells and macrophages. Conversely, as shown in figure B below, TLR8 is not expressed in fibroblasts and endothelial cells and we believe this restricted expression will reduce the risk of toxicities due to on-target, off-cell activation.

TLR8's Expression is Restricted to Human Myeloid Cells

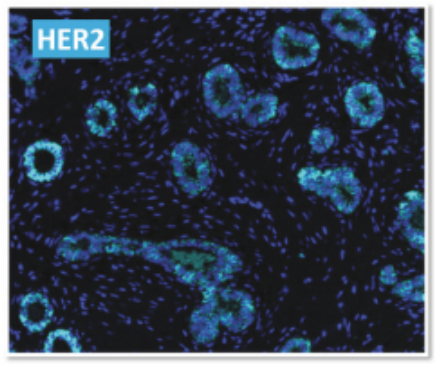


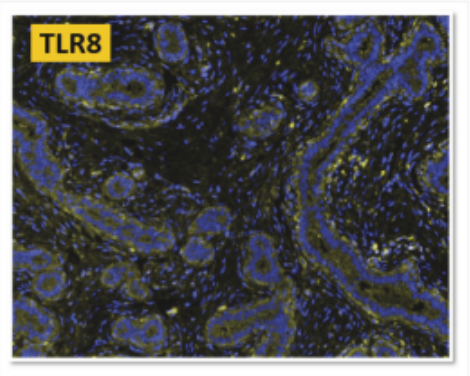
Following the identification of TLR8 as the optimal receptor to activate myeloid cells in the TME, we designed and created a library of TLR8 agonists. Our proprietary TLR8 agonists were evaluated in the format of HER2 antibody conjugates for their ability to activate myeloid cells *ex vivo*. Within this library, we identified a HER2 antibody-TLR8 conjugate that activated myeloid cells in moderate and high HER2 settings as is found in HER2-expressing tumors.

Tissue Directed and Localized Activation Through HER2 Expression

Many solid tumors, including those expressing HER2, are refractory to immunotherapy due to minimal T cell infiltrates. As shown in the figures below, HER2-expressing tumors (stained in blue, left panel) frequently contain abundant populations of tumor-associated myeloid cells which express TLR8 (stained in yellow, right panel).

HER2-Expressing Tumors and TLR8-Expressing Myeloid Cells are Adjacent in the Human TME





HER2 is an optimal marker to direct therapies like TLR8 agonist conjugates due to its differential expression between tumors and healthy tissue. Furthermore, HER2 expression is prevalent in meaningfully large patient sub-populations in a wide variety of tumor types including breast, gastric, non-small cell lung, colorectal, bladder, uterine, pancreatic, head and neck, ovarian, esophageal, and gallbladder cancers, providing the potential to address a large HER2-expressing tumor agnostic market estimated to be more than 160,000 newly-diagnosed patients annually in the United States based in part on estimated prevalence rates.

As shown in the figure below, the SBT6050 potential mechanism of action is outlined sequentially as follows:

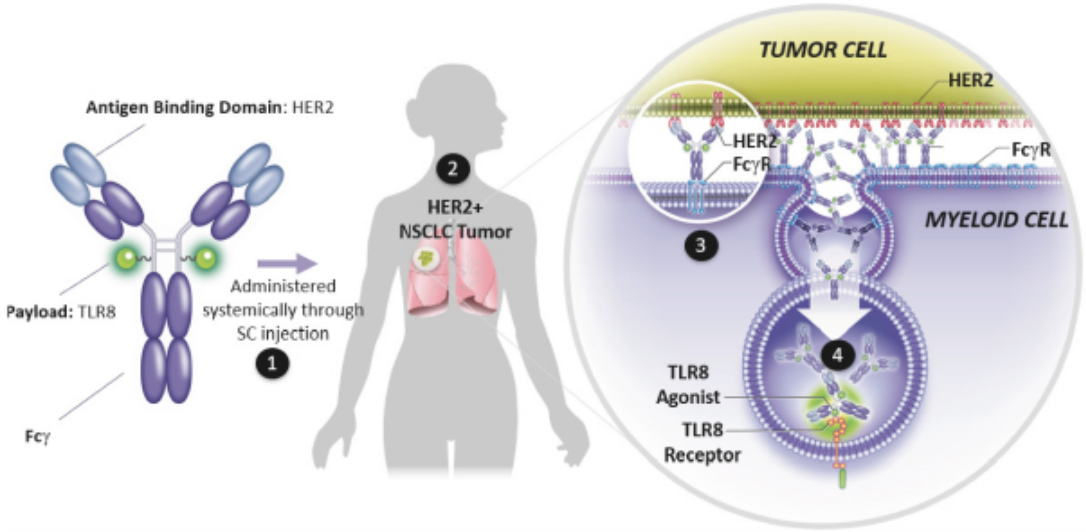
(1) SBT6050 is administered systemically through subcutaneous injection. Systemic dosing is essential to access myeloid cells in both primary lesions and metastatic lesions, and in secondary lymphoid organs, to result in productive and durable anti-tumor responses.

(2) SBT6050 is directed to tumors expressing HER2 and the TME, which is permeated with myeloid cells that express Fcg receptors on their cell surface, and TLR8 within endosomes.

(3) Upon co-engagement of the HER2 protein on the tumor and Fcg receptors on the myeloid cell, SBT6050 is designed to be internalized by the myeloid cell into the endo-lysosomal compartment once there is a sufficient increase in avidity, which is provided by HER2 binding on the tumor cell.

(4) SBT6050's TLR8 linker-payload engages TLR8 present in the endosomes of myeloid cells, which in turn drives activation.

Potential Mechanism of Action: SBT6050 is Designed to Localize TLR8 Activation of Myeloid Cells in Tumors via a HER2-Directed Antibody



Preclinical Development of SBT6050

Our preclinical studies have shown the potential for SBT6050 to activate innate and adaptive anti-tumor responses in the TME and demonstrate anti-tumor activity as a single agent and in combination with standard of care agents such as anti-PD-1 and trastuzumab-based therapies in HER2-expressing solid tumors. Highlights of our preclinical work using SBT6050 *in vitro* and SBT6050-S (our mouse surrogate) *in vivo* via subcutaneous delivery demonstrated:

- Potent activation of multiple anti-tumor immune mechanisms induced in the presence of HER2-expressing tumor cells.
- Equipotent immune cell activation in settings of moderate and high HER2 expression.
- Curative activity as a single agent in a xenograft model lacking T cells and B cells, and deficient in NK cells, highlighting the potential of myeloid cell activation alone to mediate robust tumor cell killing.
- Potent single agent activity in tumor models with low tumor infiltrating lymphocytes, highlighting the potential for clinical activity in tumors displaying immune evasive characteristics.
- Anti-tumor responses upon tumor re-challenge without additional dosing, highlighting the potential for durable effects through the activation and expansion of tumor antigen-specific T memory cells.
- Enhanced anti-tumor activity when used in combination with anti-PD-1 therapy in a CPI-refractory mouse tumor model.
- Enhanced anti-tumor activity when used in combination with trastuzumab in a mouse tumor model.

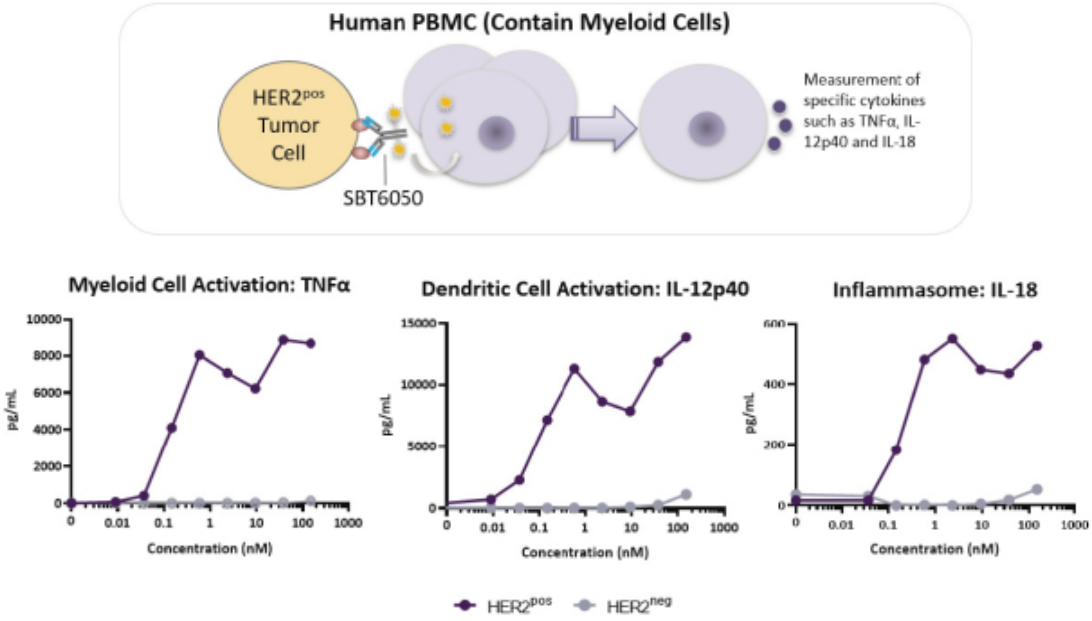
Collectively, these data supported our decision to clinically evaluate the anti-tumor activity of SBT6050 as a single agent and in combination with anti-PD-1 and trastuzumab-based therapeutics in relevant HER2-expressing tumor types.

SBT6050 In Vitro Preclinical Data

In our *in vitro* studies, SBT6050 potently activated human myeloid cell types, including macrophages, dendritic cells, and monocytes. This activation resulted in the induction of multiple myeloid cell effector functions, including the production of cytokines and chemokines that are critical to the generation of anti-tumor immune responses. In addition, SBT6050 activation of myeloid cells *in vitro* resulted in the subsequent, indirect activation of NK cells and T cells. In our *in vitro* studies, SBT6050 also mediated antibody-dependent cellular phagocytosis and antibody-dependent cellular cytotoxicity. Further, TLR8 agonism drove the downmodulation of SIRPa, highlighting the potential to block the CD47-SIRPa pathway.

In our *in vitro* studies, human peripheral blood mononuclear cells (PBMC) were co-cultured with HER2^{pos} or HER2^{neg} tumor cell lines in the presence of SBT6050. As shown in the figures below, SBT6050 potently induced multiple anti-tumor immune activities, including general activation of myeloid cells as measured by pro-inflammatory cytokine and chemokine production (TNFa), direct activation of dendritic cells (IL-12p40), and inflammasome activation (IL-18) in the presence of HER2^{pos} tumor cells. No activation was seen when SBT6050 was co-cultured with HER2^{neg} cells.

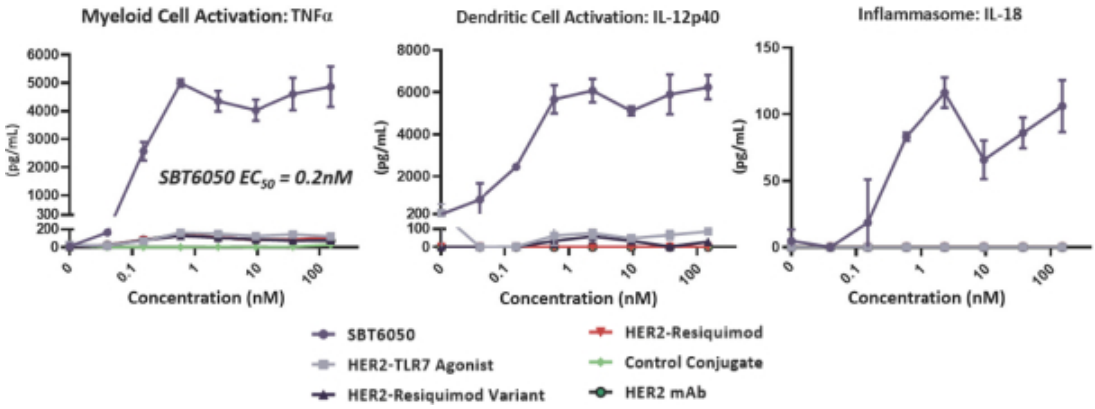
SBT6050 Activated Myeloid Cells in the Presence of HER2^{pos} Tumors



Similar *in vitro* studies using PBMCs were conducted to compare SBT6050 with conjugates that contain a TLR7 agonist, resiquimod or a resiquimod variant payload that were designed to mimic competitor molecules. Of note, the EC_{50} of the free, unconjugated TLR7 small molecule agonist was 9 nM on a TLR7 reporter line and no activity was observed on a TLR8 reporter line. The EC_{50} of unconjugated resiquimod on TLR7 was ~700 nM and >3 µM on TLR8, demonstrating that resiquimod is a weak TLR8 agonist. The resiquimod variant was of slightly better potency compared to resiquimod. As shown in the figures below, in these internal head-to-head studies SBT6050 demonstrated a superior ability to induce TNFa, IL-12p40, and IL-18 in the presence of HER2^{pos} tumor cells. This highlights the potential for favorable activity of SBT6050, which we believe is due to efficient

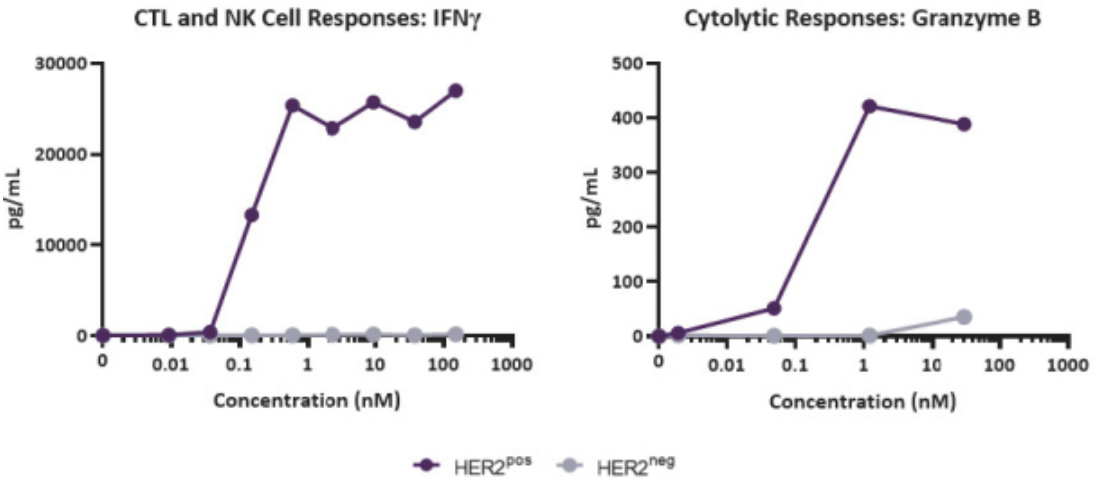
engagement of TLR8 in conjugate form. SBT6050's functional profile was not replicated with conjugates comprised of TLR7-specific or resiquimod-derived agonists.

SBT6050 Was Superior at Activating Human Myeloid Cells Compared to HER2 Antibody Conjugates that Use Either a Selective TLR7 Agonist or Resiquimod



Robust activation of the myeloid cell compartment is also known to trigger an adaptive immune cell response. In an additional *in vitro* study using a similar PBMC assay, SBT6050 induced indirect activation of mediators associated with NK cell and T cell responses (IFNg and granzyme B), as shown in the figures below. In a separate *in vitro* study, the induction of IFNg and granzyme B by SBT6050 was shown to be secondary to myeloid cell activation as blockade of IL-12 and/or IL-18 abrogated the IFNg and granzyme B response.

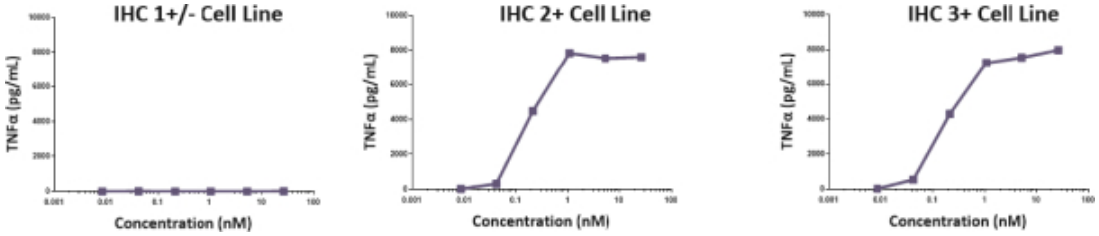
SBT6050 Indirectly Activated Mechanisms Associated with CTL/NK Cell Responses in the Presence of HER2^{pos} Tumors



HER2 expression in tumor cells varies and can be measured by protein expression using immunohistochemistry (IHC) to understand the amount of HER2 in tumor cells. It is also common to determine the gene copy number using fluorescence in situ hybridization (FISH) or other methodologies as another way to understand if the HER2 gene is amplified. Gene amplification typically results in overexpression of the protein usually at the IHC3+ level, but some HER2-amplified tumors express protein at the IHC2+ level. It has become standard practice among pathologists to characterize protein expression using IHC1+, IHC2+ or IHC3+ and also to measure gene copy number because certain FDA-approved therapies, such as Herceptin, are approved in the setting of high HER2 expression levels. High HER2 expression tumors are categorized by either IHC3+ or IHC2+/FISH positive. Low HER2 expression in the industry is categorized as IHC2+/FISH negative and IHC1+. In our preclinical, studies we characterized IHC1+ HER2 tumor cells as expressing less than 25,000 HER2 receptors per cell. SBT6050 has been tuned to work in settings of IHC2+/FISH negative (moderate expression) as well as IHC3+ (high expression) but not IHC1+ (low expression). Targeting tumors with moderate HER2 expression allows us to address a patient population where most current HER2 targeted therapies are not effective. We believe that avoiding some normal tissues that express low levels of HER2 provides the opportunity for an improved safety and tolerability profile.

As shown in the figures below, our *in vitro* studies demonstrated that SBT6050 stimulated myeloid cells in the presence of IHC 2+ and 3+, but not in the presence of IHC 1+/- tumor cell lines.

SBT6050 Activated Myeloid Cells Only in the Presence of IHC 2+ and 3+ Tumor Cell Lines

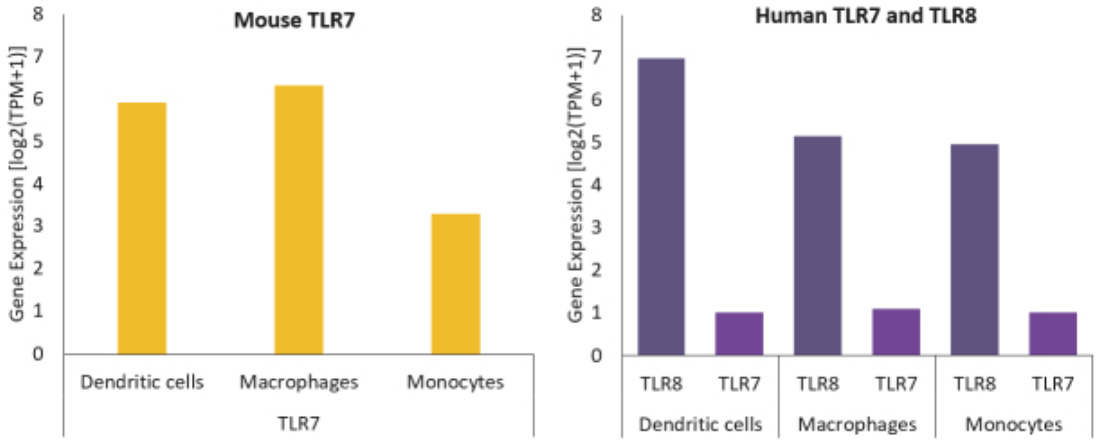


SBT6050 In Vivo Preclinical Data

Background Regarding SBT6050-S

Because mice do not have a functional homologue of human TLR8, we designed SBT6050-S to enable preclinical mouse studies with a molecule that in mice matches the myeloid cell activation profile of SBT6050. TLR7 expression in mouse myeloid cells mirrors that of TLR8 in human myeloid cells. RNA sequencing data published by third parties, as shown in the figures below, highlight the differential expression of TLR8 and TLR7 across mouse and human myeloid cell sub populations. Activation of TLR7 in mouse myeloid cells results in a similar downstream functional profile as TLR8 activation does in human myeloid cells.

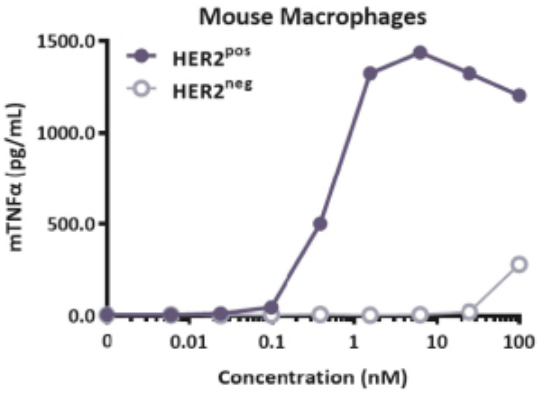
TLR7 Is Highly Expressed in Mouse Myeloid Cells and TLR8 Is Highly Expressed in Human Myeloid Cells, Whereas TLR7 Is Expressed at Low Levels in Human Myeloid Cells



SBT6050-S is a proprietary conjugate that contains a selective TLR7 linker-payload and a mouse IgG2a Fc domain to promote uptake in mouse myeloid cells. Our preclinical data, as shown in the figure below, demonstrated similar *in vitro* functional results of SBT6050 in human and SBT6050-S in mice.

Functional Results with TLR7 Conjugate, SBT6050-S, on Mouse Myeloid Cells Matched Those of SBT6050 on Human Myeloid Cells In Vitro

ImmunoTAC Conjugate	EC_{50} (nM)
SBT6050	0.2 (human)
SBT6050-S	0.3 (mouse)

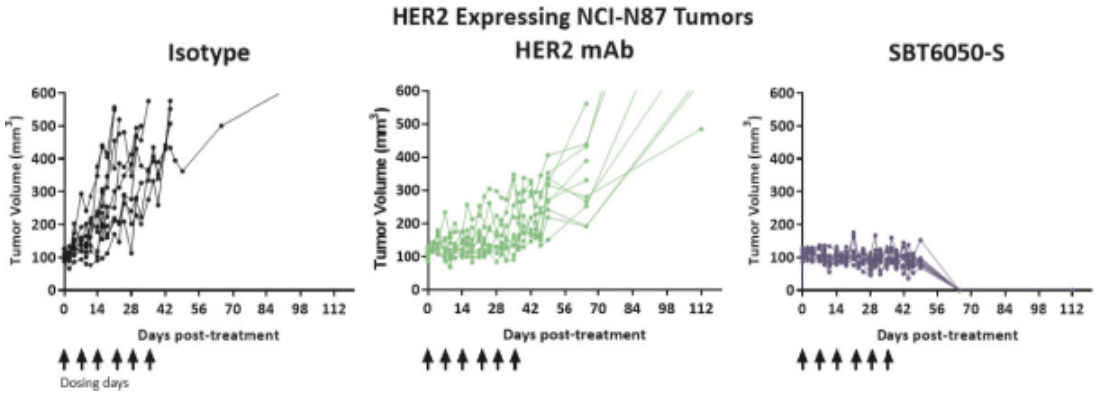


Our SBT6050-S Monotherapy In Vivo Data

Using SBT6050-S in preclinical studies, we have demonstrated that a systemically administered, HER2-directed myeloid cell agonist activated a broad spectrum of anti-tumor mechanisms and led to curative single agent activity in both a human tumor xenograft model lacking T cells and B cells and with defective NK cells as well as a T cell-excluded syngeneic mouse tumor model.

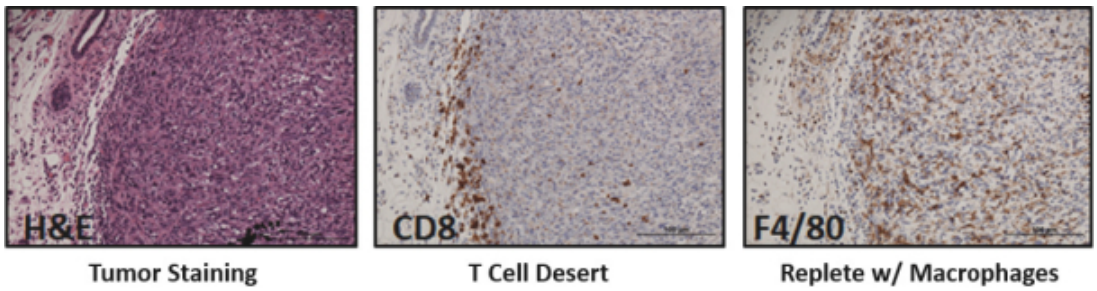
As shown in the figures below, SBT6050-S (at 10 mg/kg) demonstrated curative effects as a monotherapy in a human tumor xenograft (NCI-N87) mouse model that has an absence of T cells along with defective NK cells. We believe that the activity of SBT6050-S in this model is indicative of the potential of myeloid cells to drive tumor eradication. These data indicate that SBT6050 may have activity in tumors with low or no T cell infiltrate, which we believe has important implications regarding the substantial potential benefit of SBT6050 for patients who do not respond to T cell-directed immunotherapy.

SBT6050-S Drove Robust, Curative Single Agent Activity in T Cell, NK Cell-Deficient Mouse Strains



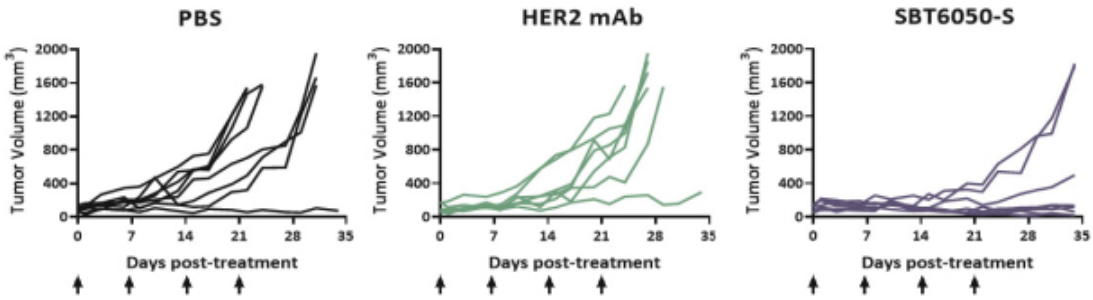
In addition, in our preclinical studies, administration of SBT6050-S as monotherapy resulted in durable curative effects in a HER2-expressing, T cell excluded EMT6 syngeneic mouse tumor model. EMT6 is a mouse tumor that we engineered to express human HER2. Expression of human HER2 in this model is moderate, heterogenous, and may be lost over time, which is representative of certain HER2^{pos} tumor types such as gastric cancer. While conducted in immunocompetent mice, the EMT6 model is also known to be resistant to anti-PD-1 treatment because T cells are excluded from tumor entry. The left panel in the figure below illustrates tumor cells that were demarcated by H&E staining. The central panel in the figure below illustrates that in the HER2-EMT6 model, CD8 T cells were sequestered on the periphery of the tumor. In contrast, the right panel below illustrates the presence of macrophage infiltrate within this T cell-excluded mouse tumor model.

IHC Staining in EMT6 Tumor Models, Depicting CD8 T Cells and Macrophages (F4/80)



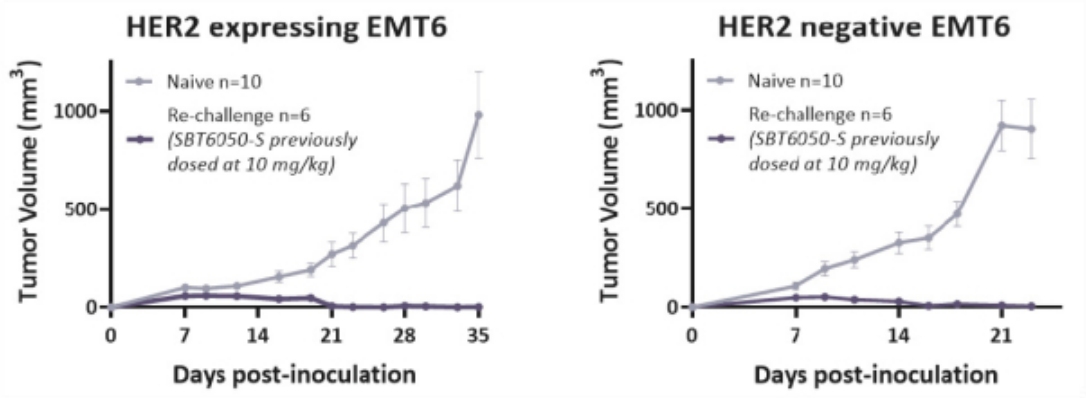
As shown in the figures below, SBT6050-S (at 10 mg/kg) as monotherapy resulted in a complete response (CR) rate of 40-80% in the HER2-EMT6 model, depending on the study. Approximately 30-50% of EMT6 tumor cells express human HER2 at the time of dosing initiation. Given the lack of stability of HER2 expression in this model, we believe HER2 expression was lost in the tumors of the mice that did not respond to SBT6050-S in this study.

Treatment with SBT6050-S Monotherapy Resulted in CR Rate of 40-80% in HER2-EMT6 Model



As shown in the figure on the left below, HER2-EMT6 tumor-bearing mice that were cured by SBT6050-S treatment were fully protected from an EMT6 tumor re-challenge, indicative of the generation of immunological memory. As shown in the figure on the right below, mice that were re-challenged with EMT6 tumors that did not express HER2 were also shown to have complete protection, indicating SBT6050 engendered activation of an anti-tumor T cell response that was not restricted to HER2. This is consistent with the expansion of T cells reactive to tumor neoantigens observed in the tumors of mice after treatment with SBT6050-S.

SBT6050-S Conferred HER2-Independent Protection in Preclinical Tumor Re-Challenge Studies

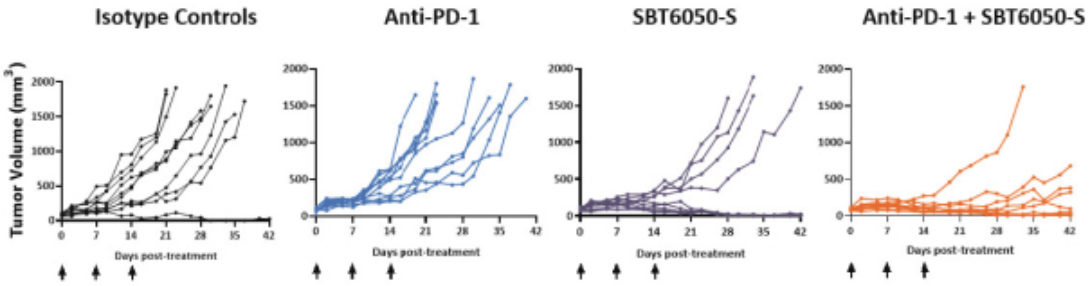


Preclinical Data Supporting the Potential for Combination of SBT6050 with Other Therapies

In our preclinical studies, SBT6050-S drove robust anti-tumor activity as a single agent and in combination with standard of care agents.

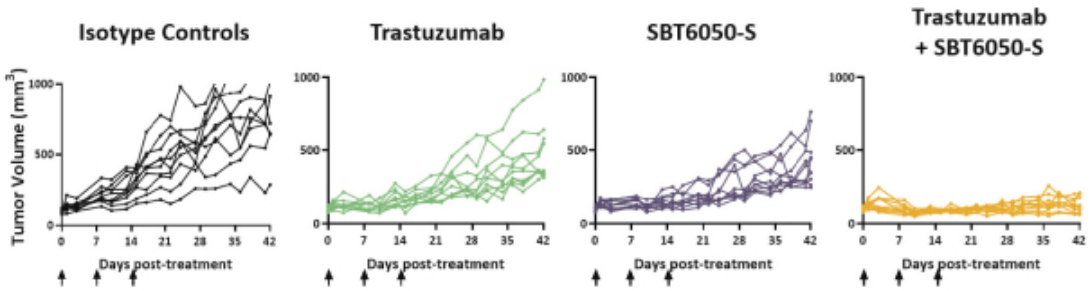
As shown in the figures below, our preclinical data demonstrated that the single agent activity of SBT6050-S in the immune-competent, checkpoint resistant HER2-EMT6 tumor model was further enhanced when combined with an anti-PD-1.

The Combination of SBT6050-S and Anti-PD-1 Drove Robust, Durable Anti-Tumor Activity



In a HER2pos human xenograft mouse model, a combination of low dose SBT6050-S with trastuzumab greatly enhanced the anti-tumor activity observed with either agent alone. As shown in the figures below, our preclinical data demonstrated the potential for enhanced clinical activity with SBT6050 in combination with trastuzumab. In this study, a lower dose of SBT6050-S (1 mg/kg) was used to allow for the combinatorial benefit to be observed. A lower dose of SBT6050-S (1 mg/kg) was used as a monotherapy control. We believe that the potential to combine with trastuzumab-based therapies unlocks the possibility of accessing earlier lines of therapy in breast and gastric cancer, where trastuzumab is a part of the standard of care.

The Combination of SBT6050-S and Trastuzumab Drove Robust, Durable Anti-Tumor Activity



SBT6050 Was Well Tolerated in Non-Human Primates by the Subcutaneous Route of Administration

SBT6050 demonstrated a wide therapeutic window in safety and tolerability studies following repeat subcutaneous administration including in the GLP toxicology study in non-human primates (NHP) that determined our first-in-human (FIH) dose. Across the studies, there was no evidence of injection site reactions or cytokine release syndrome (CRS) in any animal. There were transient, dose-related hematological, clinical chemistry, and cytokine and chemokine changes reflective of the potential mechanism of action of SBT6050. Because of the broad therapeutic window demonstrated in these studies, our FIH starting dose level of 0.3 mg/kg was selected because of its equivalency to the minimum pharmacologically active dose level in NHP and the projection that this dose level may be pharmacologically active in patients. The FIH dose levels of immune activators, particularly those that are viewed as having a significant risk of CRS, are typically below the projected pharmacologically active dose of the agent, resulting in lengthy dose-escalations to an active dose level. Notably, that is not the case with SBT6050. Based on the totality of our preclinical data, we believe that we have potential to reach the recommended phase 2 dose (RP2D) for SBT6050 between the second and fourth dose levels.

Repeat administration of fully human or humanized proteins, such as that included in SBT6050, to preclinical species, like a NHP, has been extensively evaluated by many organizations over the years and has been found to frequently lead to the generation of anti-drug antibodies (ADA), reflecting the development of immunogenic responses with repetitive challenge of NHP with non-self or foreign proteins. Importantly, the generation of ADA against human or humanized proteins in NHP, even when accompanied by ADA-mediated toxicities such as anaphylaxis, has not been predictive of immunogenicity in humans. ADA developed against SBT6050 in our NHP toxicology studies. The formation of ADA against SBT6050 in NHP was expected given the inherent immunogenicity of humanized proteins in NHP and the potential mechanism of action of SBT6050, which includes the promotion of presentation of foreign antigens by dendritic cells, a mechanism critical to the formation of immune responses to tumor neoantigens. The development of ADA in NHP resulted in decreased exposure following repeat dosing. As has been seen with other immune agonists administered in the presence of ADA in preclinical species, repeat intravenous dosing with SBT6050 resulted in anaphylaxis but anaphylaxis was not seen in NPH studies using subcutaneous dosing of SBT6050. While no animal treated with SBT6050 subcutaneously showed signs of acute anaphylaxis, one animal in the highest dose group was euthanized due to what is believed to be ADA-related immune complex deposits in certain organs. Given the precedent data in the field, we do not believe that neutralizing ADA formation that affected SBT6050 exposure in NHP will translate into the clinic. Nevertheless, a reduction in exposure following repeat dosing of SBT6050 in the Phase 1/1b clinical trial could present a risk for clinical development. Of note, in our ongoing Phase 1/1b clinical trial, we have not observed reductions in SBT6050 exposure following repeat dosing of SBT6050 for the one patient where data is available.

SBT6050 Clinical Development Plan and Strategy

SBT6050 demonstrated a wide therapeutic window in our GLP toxicology study in NHP, enabling a FIH starting dose of 0.3 mg/kg, which was projected to be pharmacologically active and within 2-3 cohorts of where we could potentially achieve anti-tumor activity. In NHP, 0.5 mg/kg was defined as the minimum pharmacologically active dose as determined by blood-based biomarkers, 6 mg/kg was determined to be the No Adverse Event Level and the highest dose level evaluated was 12 mg/kg. Our FIH starting dose of 0.3 mg/kg is the human equivalent of the minimum pharmacologically active dose level in NHP and projected to be pharmacologically active in patients. Based on the totality of our preclinical data, we believe that the RP2D will be reached between the second and fourth dose levels in our Phase 1 dose-escalation, particularly if 0.3 mg/kg demonstrates pharmacological activity as projected from our preclinical modeling. Additional dose levels may be explored in our Phase 1/1b clinical trial to further characterize safety and tolerability. At the RP2D, we believe there is potential to demonstrate single agent anti-tumor activity in dose expansion cohorts.

Our IND for SBT6050 was cleared in June 2020 with a starting dose of 0.3 mg/kg. In July 2020, we initiated a Phase 1/1b FIH, open-label, multicenter, dose-escalation and expansion clinical trial in patients with HER2-expressing solid tumors that have progressed following standard therapies. The trial is designed to evaluate the safety, tolerability, pharmacokinetics (PK), pharmacodynamics (PD), immunogenicity, and anti-tumor activity of SBT6050 as a single agent and in combination with pembrolizumab, a PD-1 inhibitor.

In our Phase 1/1b clinical trial, we are monitoring key PD biomarkers in both the blood and the tumor which have been associated with tumor regression in our preclinical mouse studies and was observed in our preclinical NHP studies. Key biomarkers in the blood include elevations in MCP-1, IP-10, and C-reactive protein and induction of additional PD markers indicative of on target mechanism of action such as IFNg. We will be obtaining tumor biopsies at baseline and on treatment to measure biomarkers that correlate with the activation of myeloid cells, T cells and NK cells in cohorts 2 and later.

The trial consists of 4 parts: monotherapy dose-escalation and expansion (Part 1), monotherapy dose expansion in tumor-specific cohorts (Part 2), pembrolizumab combination dose-escalation (Part 3), and a pembrolizumab combination dose expansion cohort (Part 4).

Part 1: SBT6050 Single Agent Dose-Escalation and Expansion

In Part 1, a standard 3 + 3 dose-escalation of SBT6050 is planned to study safety, tolerability, and PK of SBT6050, and to determine the maximum tolerated dose (MTD) and the RP2D. The MTD is defined as the dose just below the dose level where 2 or more out of 6 patients (³33%) experience dose-limiting toxicities (DLTs). The starting dose of the SBT6050 regimen is 0.3 mg/kg administered via subcutaneous injection once every 14 days. One or two dose levels may be expanded to 12 patients to obtain additional information to select the RP2D. Eligible patients must have HER2-expressing (HER2 IHC 2/3+) or HER2-amplified cancer refractory to or relapsed after standard therapies.

Part 2: SBT6050 Single Agent Dose Expansion in Tumor-Specific Cohorts

Patients will be enrolled into parallel expansion cohorts based on tumor type and HER2 expression level. Patients enrolled in the expansion cohorts will receive SBT6050 at the recommended dose and schedule established in Part 1. The purpose of Part 2 is to confirm the safety and tolerability of the RP2D and evaluate the anti-tumor activity and PD effects of SBT6050 as a single agent. Enrollment will follow a Simon 2-stage design. Planned expansion cohorts, which may also be informed by experience in the dose-escalation phase, include the following tumor types:

- Cohort A: HER2^{pos} breast cancer, n=40.
- Cohort B: HER2 low-expressing (IHC2+/amplification negative) breast cancer, n=30.
- Cohort C: HER2^{pos} gastric cancer, n=40.
- Cohort D: HER2-expressing (IHC 2/3+) or HER2-amplified non-small cell lung cancer, n=40.
- Cohort E: HER2-expressing (IHC 2/3+) or HER2-amplified solid tumors, n=30.

Part 3: SBT6050 Plus Pembrolizumab Dose-Escalation

In Part 3, a standard 3 + 3 dose-escalation of SBT6050 plus pembrolizumab is planned to determine the MTD and RP2D of SBT6050 when given in combination with pembrolizumab. The MTD is defined as above. SBT6050 will be administered via subcutaneous injection on Days 1, 15, and 29 of 42-day cycles in combination with 400 mg pembrolizumab administered via intravenous injection on Day 1 of each cycle. Eligible patients will have HER2-expressing or HER2-amplified solid tumors. Part 3 of the study will open when changes in PD markers exceeds the pre-defined criteria for pharmacological activity with demonstration of acceptable safety and tolerability in a cohort treated with single agent SBT6050. The pre-defined threshold is based on changes in peripheral PD markers in preclinical studies, and includes C-reactive protein elevation to ³ 150 mg/L and 3-5 fold changes from baseline in certain cytokines and chemokines such as IP-10, IFNg and/or MCP-1.

Part 4: SBT6050 Plus Pembrolizumab Dose Expansion Cohort

The combination treatment expansion part of the trial will be initiated once the RP2D has been defined by the safety monitoring committee from Part 3. The purpose of Part 4 is to confirm the safety and tolerability of the RP2D and evaluate the anti-tumor activity and PD effects of SBT6050 in combination with pembrolizumab. Approximately 30 patients with HER2-expressing or HER2-amplified tumors of multiple histologies will be enrolled.

SBT6050 Preliminary Phase 1/1b Clinical Data

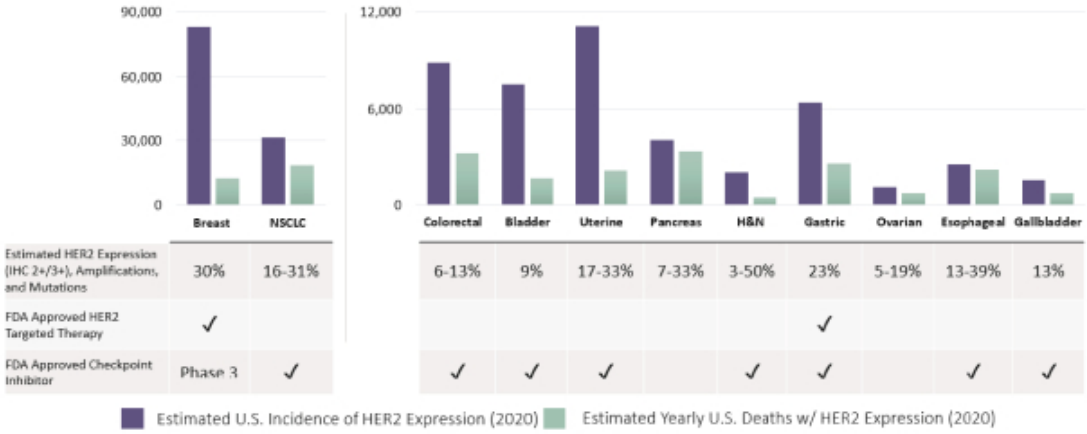
We are currently in Part 1 of our Phase 1/1b clinical trial and as of October 1, 2020, four patients have been enrolled. These treated patients have received between one and five doses, and no DLTs have been observed. Furthermore, pharmacological activity consistent with the potential mechanism of action has been observed in treated patients where data are available. Repeat dose PK is available in one patient through three doses and exposure was consistent following the second and third subcutaneous doses compared to the first dose.

We expect to initiate the Phase 1 SBT6050 combined with pembrolizumab in the first quarter of 2021. We anticipate providing an update on interim data from the Phase 1 single agent dose-escalation cohorts and the Phase 1 SBT6050 and pembrolizumab combination in the first half of 2022. We anticipate providing a further update on interim data from the Phase 1 monotherapy and combination dose-escalation as well as a first update of the Phase 1b monotherapy in tumor-specific expansion cohorts and the Phase 1b combination cohort the second half of 2022.

SBT6050 Addressable Market

As shown in the figure below, HER2 IHC 2+ and 3+ overexpression, amplifications, and mutations are documented in at least 11 different tumor types with varying frequencies. Most HER2 targeted therapies require the tumor cells to be dependent on HER2 signaling, often called an oncogenic driver. HER2 oncogenic-driven tumors are limited to subsets of breast and gastric cancer and hence the FDA-approved therapies that require HER2 signaling are limited to these indications as noted in the figure. SBT6050 does not require the tumor cells to be dependent on HER2 signaling for its anti-tumor activity and instead utilizes the HER2 protein to deliver the conjugate to adjacent myeloid cells. We believe that this expands the market opportunity beyond HER2-driven breast and gastric cancer in which targeted HER2 agents have been approved and are established as standard of care. Because of the rationale to combine SBT6050 with CPI's, which is supported by our preclinical data, we have noted in the figure below those tumor types with an approved CPI.

Large Potential Market Opportunity for SBT6050 in Tumors That Express HER2 and in Combination With HER2 Targeted Agents and CPIs



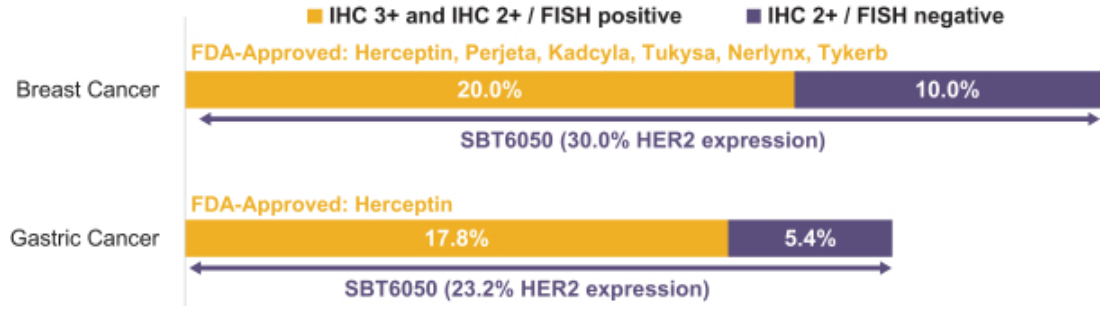
HER2 expression rates are well-understood in tumor types for which there is an FDA-approved HER2 targeted therapy available. Breast and gastric cancer cases are routinely screened for HER2 expression as a part of the standard of care. HER2 overexpression has been reported in other tumor

types, but because of the lack of effective therapies targeting cancers outside of breast and gastric, screening is not readily performed. In calculating our potential addressable market for these tumor types, the figure above shows a range of HER2 expression cited in the literature and the lower end of the range was utilized for market considerations. In the United States, we believe that more than 48,000 patients annually with solid tumors that are refractory to standard of care treatments may benefit from SBT6050 as a single agent or combination therapy, if successfully developed and approved. In the future, if SBT6050 advances to earlier lines of treatment, more than 160,000 patients annually may benefit.

In considering the market for combination treatment, SBT6050 was specifically designed to bind to the HER2 sub-domain II, the pertuzumab epitope, to enable combinations with trastuzumab-based therapies that bind to HER2 sub-domain IV such as Herceptin (trastuzumab), Kadcyla (trastuzumab-DM1), and Enhertu (DS-8201), all of which are FDA-approved HER2 agents. Our preclinical data has demonstrated the potential to use SBT6050 in combination with trastuzumab and CPI's. We believe that SBT6050 may also have the potential to be combined with tyrosine kinase inhibitors such as Tukysa (tucatinib), which is approved for combination with trastuzumab and Xeloda (capecitabine) for the treatment of HER2^{pos} metastatic breast cancer. When considering the market potential for combination therapy, only combinations with trastuzumab and CPI's was utilized in our calculations.

SBT6050 is also active in HER2 IHC 2+ / FISH negative tumors, expanding the market beyond the scope of current approved HER2 targeted therapies indicated for IHC 3+ and IHC 2+ / FISH positive tumors as shown in the figure below. We considered this potential market extension in breast cancer and gastric cancer in calculating the potential addressable market.

SBT6050 Addressable Market in Indications with an FDA-Approved HER2 Targeted Therapy



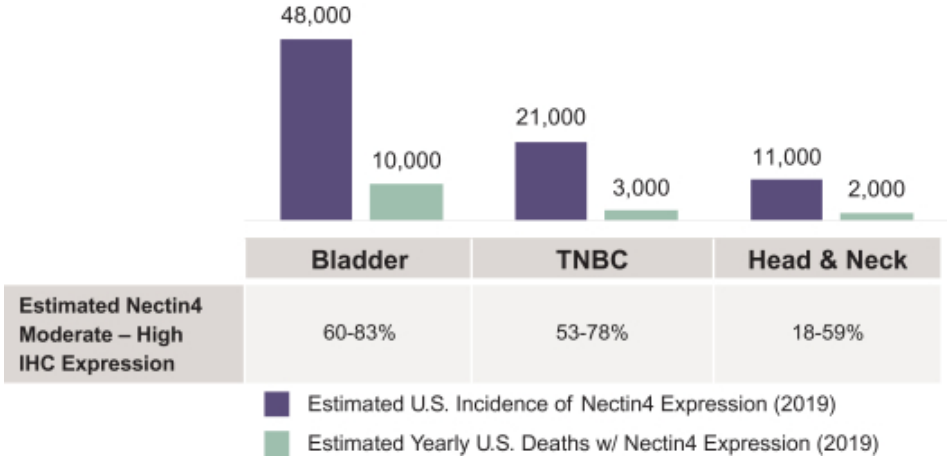
SBT6290: TLR8 Agonist Conjugated to a Nectin4 Antibody

Our second product candidate, SBT6290, is comprised of the same TLR8 linker-payload used in SBT6050 conjugated to a Nectin4-directed monoclonal antibody. Nectin4 has been prioritized as our second target based on differential expression of extracellular proteins on tumor cells in comparison to healthy tissue, as well as the degree of myeloid cell infiltrate in the TME. Nectin4 is overexpressed in cancers including bladder, triple negative breast, and head and neck, among others.

Nectin4 is a target that has been clinically validated by Seattle Genetics through the approval of the antibody-drug conjugate Padcev. In 2019, Padcev was approved under the FDA's accelerated approval program indicated for the treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a PD-1 inhibitor, and a platinum-containing chemotherapy.

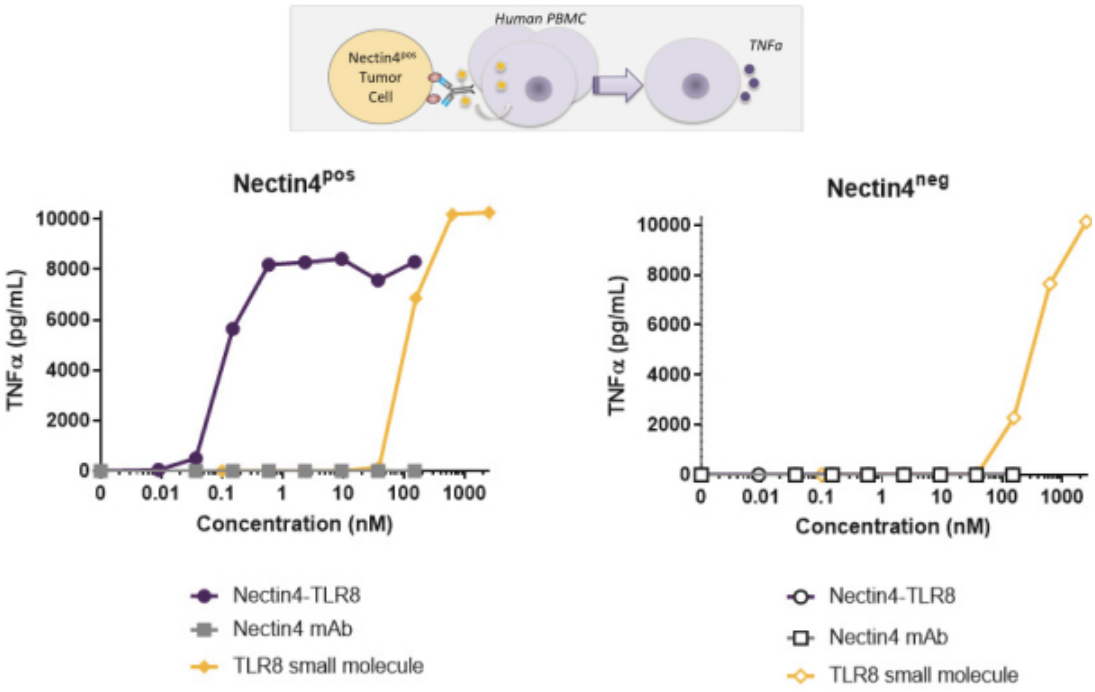
Targeting Nectin4 to deliver a TLR8 agonist to adjacent myeloid cells presents a significant therapeutic opportunity across different cancers. We are developing SBT6290 in Nectin4-expressing tumors, including bladder, triple negative breast, and head and neck cancers, which as shown in the figure below, represents over 80,000 patients annually in early line settings and over 16,000 patients with relapsed or refractory cancer annually in the United States.

Nectin4 Overexpression Across Select Tumor Types



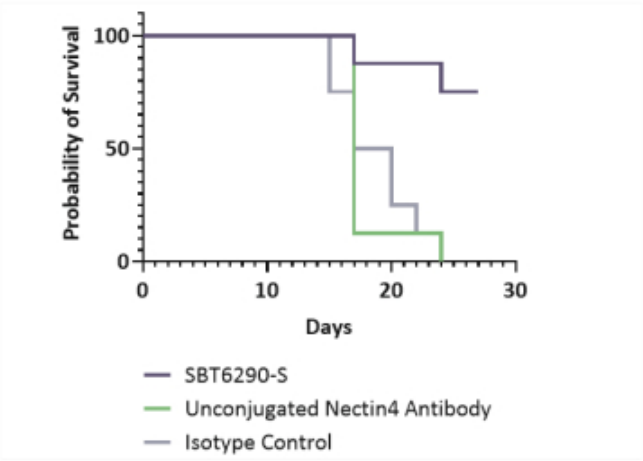
In our *in vitro* studies, human PBMCs were co-cultured with Nectin4^{pos} or Nectin4^{neg} tumor cell lines in the presence of SBT6290. SBT6290 potently activated myeloid cells with an EC_{50} of ~200 pM, in the presence of Nectin4-expressing tumor cells. Not only did these data highlight the Nectin4-dependent activity of SBT6290, but also demonstrated that the TLR8 linker-payload used in SBT6050 was transferable to antibodies directed to diverse antigens.

SBT6290 Potently Activated Human Myeloid Cells



We engineered a mouse surrogate of SBT6290 (SBT6290-S) using a TLR7 agonist conjugated to a Nectin4 monoclonal antibody to account for species differences in our *in vivo* studies, as was described for SBT6050. As shown in the figure below SBT6290-S improved overall survival in this Nectin4-expressing EMT6 mouse model.

Administration of SBT6290-S as Monotherapy Resulted in Improved Overall Survival in a Nectin4-Expressing EMT6 Preclinical Model



In a single and repeat dose exploratory safety study, Nectin4-TLR8 conjugate was administered subcutaneously to NHP at a dose level >10-fold of the anticipated, minimum pharmacologically active dose level, a dose that was also evaluated with SBT6050. The overall safety, tolerability, PK and PD findings of the Nectin4-TLR8 conjugate were very similar to those observed with SBT6050 at this dose. Additional non-GLP toxicity studies are currently underway, and GLP NHP toxicity studies are expected to commence in first half of 2021. In parallel, we are in the process of creating a master cell bank for GMP production of SBT6290. We anticipate submitting the SBT6290 IND in the fourth quarter of 2021 and initiating a Phase 1 clinical trial in the first quarter of 2022.

SBT8230: TLR8 Agonist Conjugated to an ASGR1 Antibody

As our lead virology program, we have engineered SBT8230 to treat cHBV using our ImmunoTAC platform. SBT8230 is comprised of an ASGR1 monoclonal antibody conjugated to the same TLR8 linker-payload as SBT6050 and SBT6290 and is designed to elicit an anti-viral immune response by targeting TLR8 activation to the liver.

cHBV infection remains a worldwide problem affecting approximately 257 million people and contributing to an estimated 887,000 deaths in 2015. In the United States alone, approximately 860,000 people suffer from cHBV. cHBV is estimated to be the cause of 60-80% of the world's primary liver cancers. There is a significant unmet need for therapies that can elicit a functional cure for the disease, which is defined as sustained loss of hepatitis B surface antigen (HBsAg) in the blood. Many of the approved therapies for cHBV have low functional cure rates or lack durability over time.

Clinical and preclinical evidence by third parties have demonstrated that IFNg-mediated immune responses, including the activation of IFNg+ T cell and IgG B cell anti-viral responses, can lead to a functional cure in cHBV patients and animal models of HBV. In HBV transgenic mice, HBV-specific CD4 and CD8 T cells have exhibited the ability to inhibit hepatocellular replication by a noncytopathic process that is mediated primarily by IFNg. In acutely infected chimpanzees, viral replication was almost completely abolished soon after CD3 and IFNg mRNA increased in the liver. Evidence by third parties has demonstrated that HBV-specific IFNg producing CD4 T cells were associated with viral clearance in patients with cHBV infection. Additionally, these studies have demonstrated that TLR8 agonists were particularly effective in activation of myeloid cells and the induction of IFNg. The figure below shows IFNg production after human blood or liver-derived mononuclear cells were stimulated with the indicated TLR agonist. TLR8 was unique in its ability to induce IFNg.

TLR8 Drove IFNg Production from Liver Mononuclear Cells in Third Party Preclinical Studies

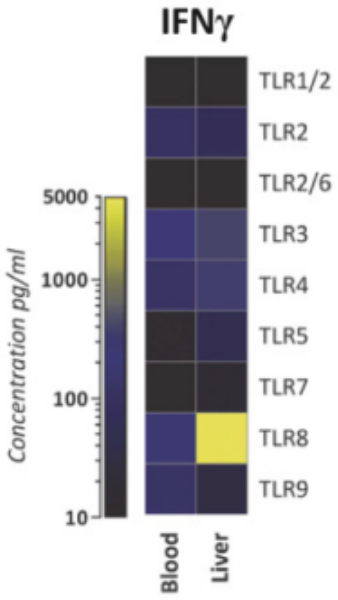


Figure source: Jo et al, PLOS Pathogens, 2014.

In addition, the figures below show concentrations of individual cytokines quantified in the supernatant of purified PBMC or isolated mononuclear cells from the liver after stimulation with either a TLR8 or TLR7 agonist. TLR8 agonism, but not TLR7 agonism, induced IFNg production, along with the production of other cytokines important in the generation of anti-viral immunity such as TNFa, IL-1ß, and IL-6, from both liver and blood immune cells. We believe these data from third parties demonstrate that TLR8 is the agonist of choice for improving the outcome for patients with cHBV.

TLR8 Agonism Drove Cytokine Production

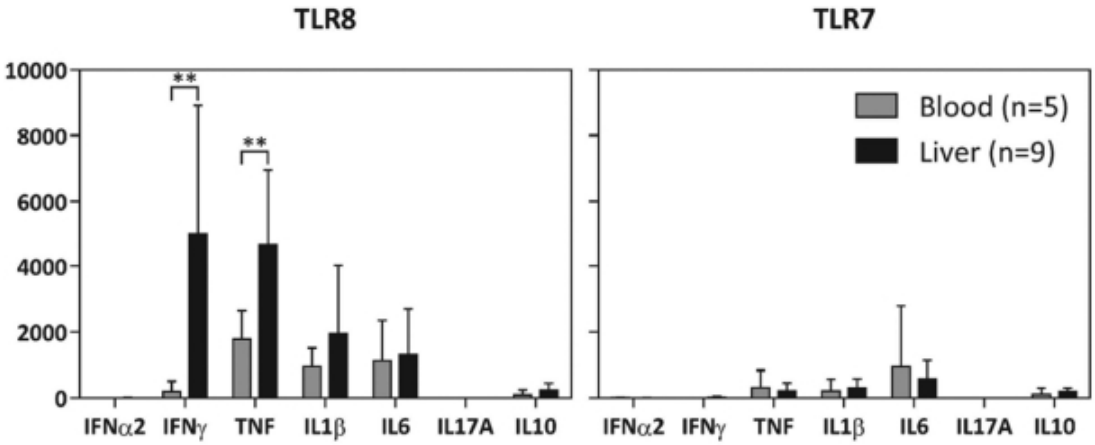


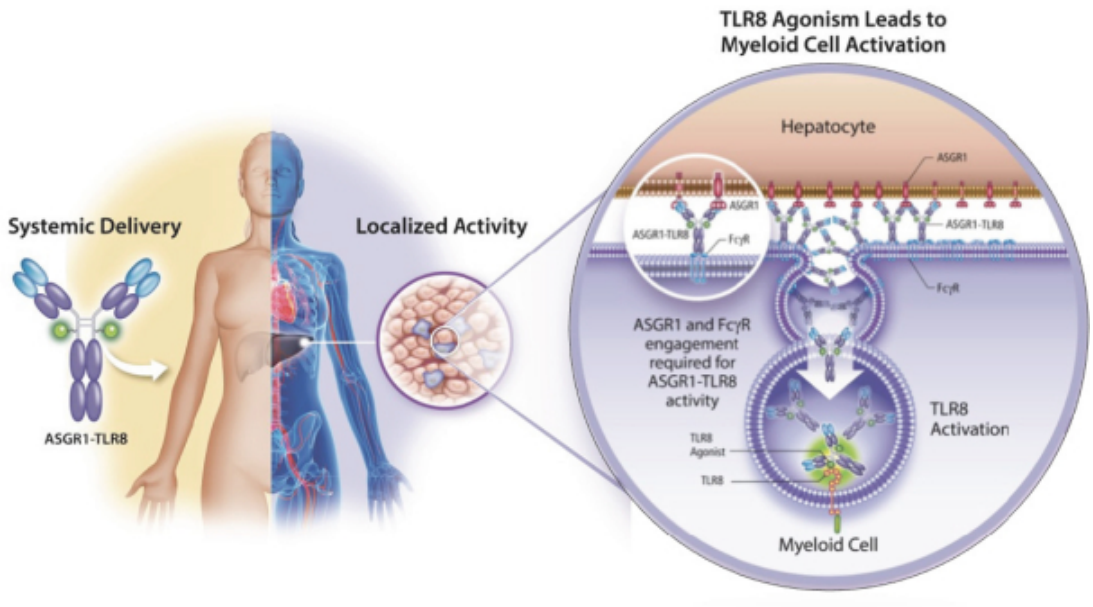
Figure source: Jo et al, PLOS Pathogens, 2014.

In a preclinical woodchuck model of cHBV conducted by a third party, oral administration of a TLR8 agonist small molecule, GS-9688 (selgantolimod), was shown to drive seroconversion and reduce woodchuck hepatitis virus S antigen and woodchuck hepatitis B viral levels. Selgantolimod's effectiveness in cHBV patients has been limited, however. We believe (i) this is due to not achieving necessary exposures because of dose limiting toxicities associated with activation of myeloid cells outside of the liver and (ii) that systemically delivered but liver localized TLR8 agonism could improve the potential for effective therapy and lead to functional cures in cHBV.

SBT8230 is a Liver-Localized TLR8 Agonist Designed to Achieve Functional Cure in cHBV

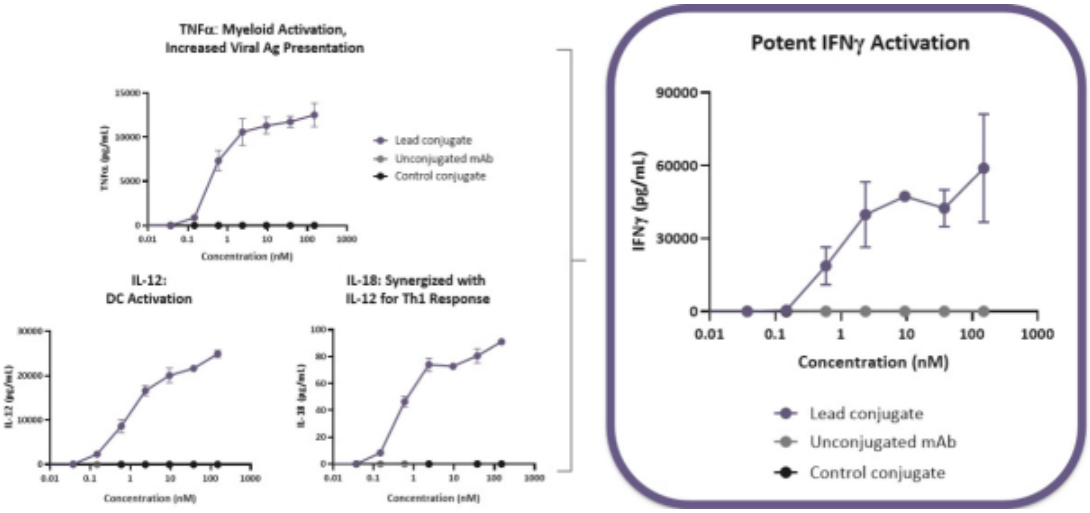
As shown in the figure below, we designed SBT8230 to be comprised of an ASGR1 monoclonal antibody conjugated to a TLR8 linker-payload with the goal of activating the myeloid cell compartment in liver tissue only. The conjugate is designed to be internalized in myeloid cells in an FcR-mediated manner when ASGR1 is present on adjacent liver cells.

Potential Mechanism of Action: SBT8230 is Designed to Localize TLR8 Activation of Myeloid Cells in the Liver Via a Directed ASGR1 Antibody



As show in the figures below, in our preclinical studies utilizing human PBMCs *ex vivo*, ASGR1-TLR8 induced IFNg-promoting activity through its activation of myeloid cells.

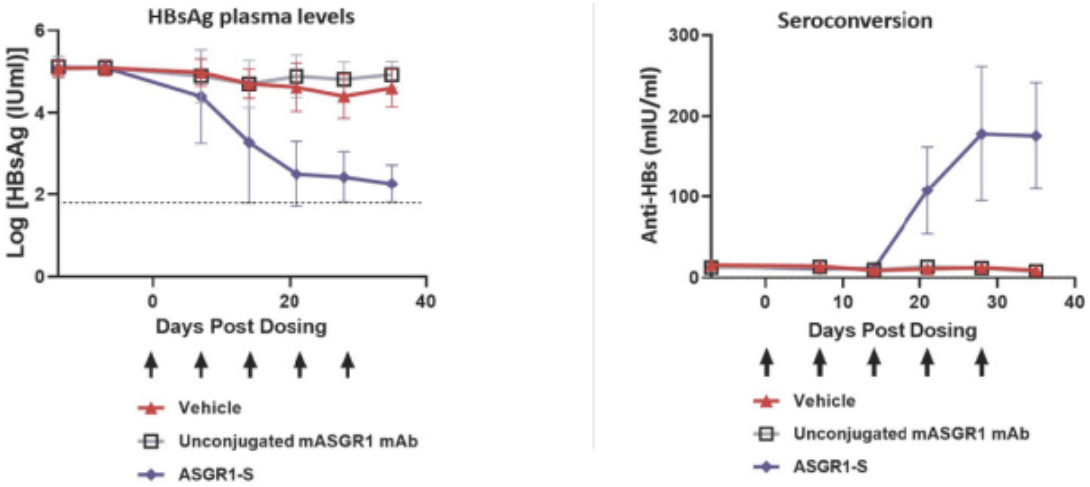
ASGR1-TLR8 Potently Activated Human Myeloid Cells, Resulting in a Robust IFNg Response



Activation of human myeloid cells by TLR8 was mirrored in mouse myeloid cells by TLR7 as was demonstrated previously in the SBT6050 and SBT6290 programs. Therefore, to evaluate the ability of a liver-targeted myeloid cell agonist conjugate to drive seroconversion in an AAV-HBV mouse model, we engineered a surrogate for SBT8230 comprised of an ASGR1 monoclonal antibody conjugated to a TLR7 agonist (ASGR1-S). The antibody contained an IgG2a Fc domain to facilitate uptake into mouse myeloid cells.

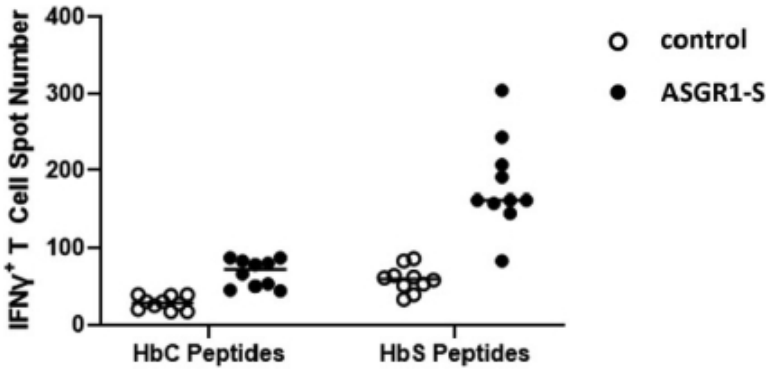
As shown in the figures below, robust *in vivo* anti-viral activity and seroconversion was demonstrated with ASGR1-S in the AAV-HBV model. A significant decrease in serum viral DNA and HbS antigen levels was obtained compared to control treatment and anti-HbS seroconversion in the conjugate treated animals was achieved. Of note, paralleling their inability to drive seroconversion in cHBV patients, cHBV standard of care therapies and other agents that target the HBV life cycle such as capsid inhibitors, have not resulted in seroconversion in this or similar models.

ASGR1-S Reduced HBsAg and Drove Seroconversion in Mouse AAV-HBV Model

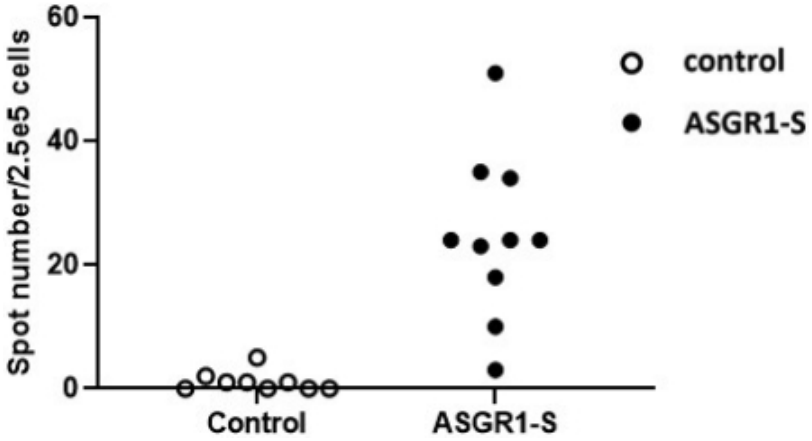


As shown in the figures below, ASGR1-S treatment generated potent anti-viral T cell and B cell immune responses and significantly increased anti-HBV core and S antigen IFNg+ T cells and anti-HBsAg+ B cells.

ASGR1-S Increased IFNg+ Anti-Viral T Cells

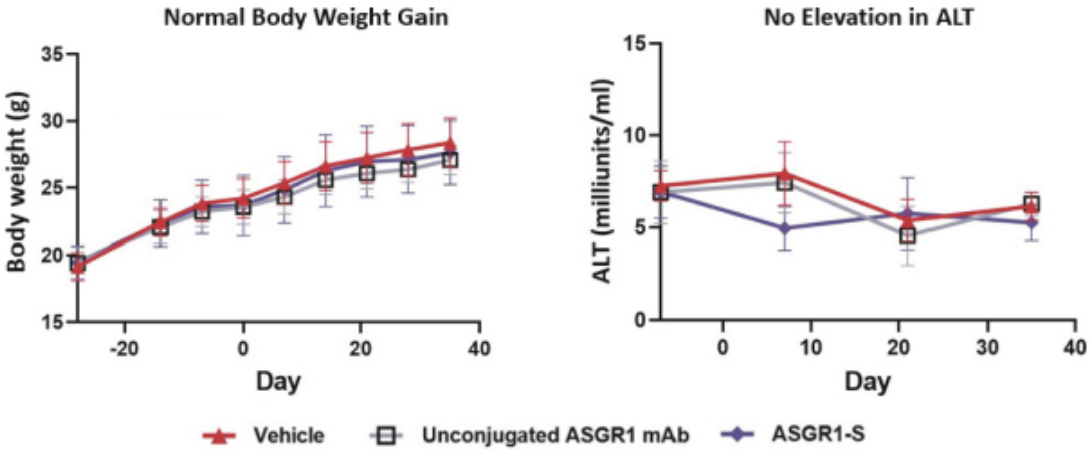


ASGR1-S Increased B Cells Producing Anti-HbS Antigen Antibodies



Importantly, as shown in the figures below, no changes in serum ALT, body weight or liver by histopathology were noted as compared to controls, indicating that ASGR1-S was well tolerated. In these studies, no histopathology findings or elevated liver enzymes were observed after treatment with the conjugate. Body weight gain was also normal following treatment.

ASGR1-S Was Well Tolerated in Mice



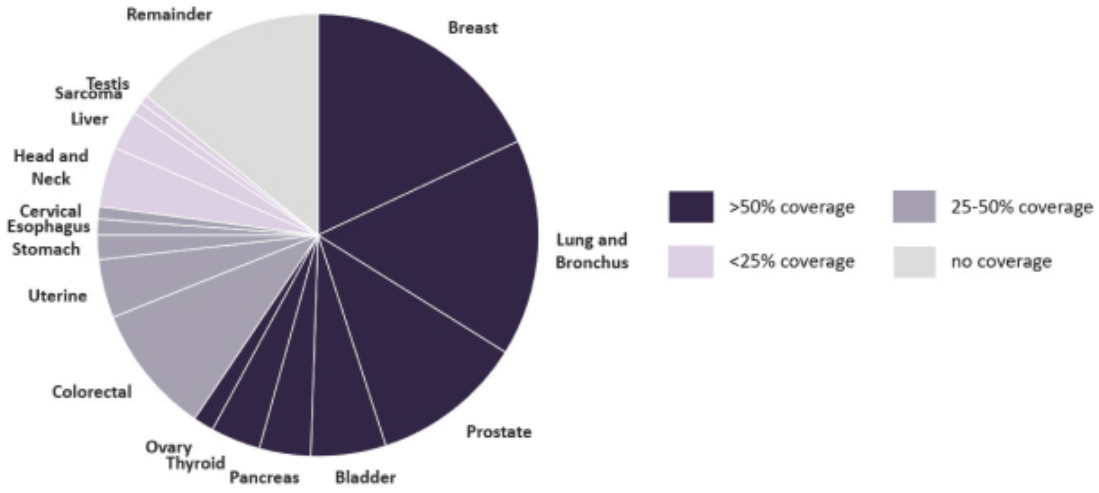
Preclinical studies in mice and NHP for our ASGR1-TLR8 ImmunoTAC candidate are ongoing. We anticipate selecting a development candidate for this program in the fourth quarter of 2020 and expect to initiate IND enabling toxicity studies in the first quarter of 2022. We plan to submit the IND in the second half of 2022.

Other Programs

Additional Immuno-Oncology Programs

In addition to HER2 and Nectin4, we have selected two undisclosed targets that may enable us to address a broad range of solid tumor indications shown in the figure below. In these programs, the antibodies have been created and conjugated to the same TLR8 linker-payload utilized in SBT6050 and SBT6290.

TLR8 Conjugate Pipeline Offers Broad Coverage of Solid Tumor Indications



Fibrosis Program: TGFßR1 Antagonist Conjugated to an ASGR1 Antibody

We designed our ASGR1-TGFßR1 antagonist conjugate to achieve liver-localized inhibition of TGFß-signaling to treat fibrosis.

Fibrosis is the overgrowth, hardening and scarring of tissue due to accumulation of extracellular matrix molecules, such as collagen, that is produced by fibroblasts. Chronic fibrotic diseases often result in widespread distortion of normal tissue architecture and account for up to 45% of deaths in the United States. Fibrosis can occur in most major tissues, however idiopathic pulmonary fibrosis and hepatic cirrhosis are among the more common fibrotic diseases.

Hepatic cirrhosis and hepatocellular carcinoma (HCC) are leading causes of morbidity and mortality worldwide. Patients with liver cirrhosis are at high risk of deadly hepatic failure and approximately 80%-90% of HCC develop on a cirrhotic background. HCC ranks as the sixth most common cancer and, with over 600,000 deaths per annum, it constitutes a major global health problem. The most common causes of hepatic cirrhosis in the United States are hepatitis C, alcoholic liver disease, and nonalcoholic liver disease.

TGFß Pathway and its Role in Fibrosis

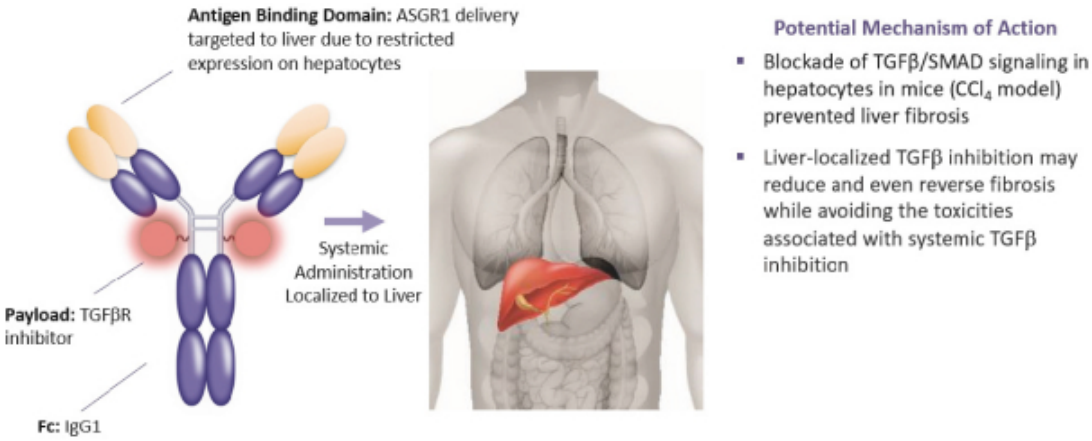
Progress has been made to treat the underlying etiologies initiating liver fibrosis, yet significant needs remain for therapies that slow, halt, or reverse fibrosis and thereby prevent late stage liver failure and HCC. TGFß signaling is a key mediator of liver fibrosis initiation and progression through multiple mechanisms, including hepatocyte apoptosis, hepatic stellate cell transdifferentiation to myofibroblasts, and pro-fibrotic macrophage activation.

TGFß is secreted by many cell types and is implicated in a wide range of cell functions, critically regulating tissue homeostasis and repair, immune and inflammatory responses, extracellular matrix deposition, and cell differentiation and growth. In healthy tissues, TGFß is expressed at a low level to enable homeostatic mechanisms and is also transiently upregulated in response to tissue injury, which initiates a cascade that results in collagen production and, ultimately, healing of the tissue. In fibrotic tissue, TGFß production and signaling is dysregulated and perpetuated, leading to excess collagen deposition in the absence of acute tissue injury.

While inhibiting the TGFß receptor kinase domains is the most direct way to down-regulate TGFß signaling, systemic availability of TGFß receptor 1 (TGFßR1) antagonists is associated with DLTs due to the homeostatic functions of TGFß in multiple organ systems. Preventing TGFß activity with antibody blockade of ligands or their activation machinery is challenging due to the presence of multiple ligands and activation mechanisms, and TGFß's sequestration in extracellular matrix. We believe a systemically delivered TGFßR1 antagonist with liver-localized activity has the potential to ameliorate liver fibrosis while avoiding the toxicities associated with non-targeted TGFß receptor inhibition.

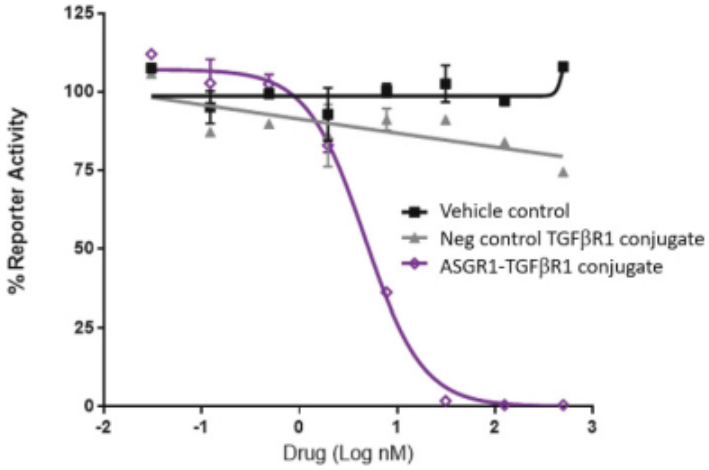
Using a similar strategy of liver localization that was employed in our cHBV program, as shown in the figure below, we engineered an ASGR1-TGFßR1 antagonist ImmunoTAC intended to inhibit the TGFß pathway to treat liver fibrosis. ASGR1 is a scavenger receptor that is highly expressed exclusively on hepatocytes and internalizes and recycles rapidly upon engagement. Thus, the ASGR1-TGFßR1 antagonist conjugate is designed for systemic administration with liver-localized inhibition of the TGFß receptor.

ASGR1-TGFßR1 ImmunoTAC Therapeutic is Designed for Liver-Localized TGFß Signaling Inhibition for Anti-Fibrotic Effects



As shown in the figure below, our initial preclinical studies with ASGR1-TGFßR1 antagonist conjugates demonstrated potent inhibition of TGFß signaling *in vitro*. This activity was dependent on ASGR1 binding as no activity was observed on cells with low or no ASGR1 expression.

ASGR1-TGFßR1 ImmunoTAC Therapeutic: Potent and Complete Inhibition of TGFß Signaling in pSMAD Reporter Assay



Preclinical studies in mouse disease models are ongoing for this program.

Competition

The pharmaceutical industry is highly competitive and dynamic, owing to rapidly advancing technologies. We face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, government agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing treatments and new treatments that may become available in the future.

We compete with other companies working to develop immunotherapies and targeted therapies for the treatment of cancer including divisions of large pharmaceutical and biotechnology companies of various sizes. These companies are developing therapies of many different modalities including small molecules, monoclonal antibodies, antibody-drug conjugates, bi-specific antibodies, cell therapies, oncolytic viruses and vaccines.

Specifically, there are many companies pursuing a variety of approaches to TLR-directed therapies, including Apros Therapeutics, Ascendis, BioNTech, Bolt Biotherapeutics, Bristol Myers Squibb, Checkmate Pharmaceuticals, CureVac, Exicure, Galaderma, Gilead, Idera, Mologen, Nektar, Novartis, Primmune Therapeutics, Roche, Seven&Eight, Shanghai De Novo, Sumitomo Dainippon, TriSalus, and UroGen. Other companies using antibody-drug conjugates to target innate immune receptors include Actym Therapeutics, Mersana, and Takeda Pharmaceuticals. Immunotherapy and validated pathway approaches are further being pursued by many smaller biotechnology companies as well as larger pharmaceutical companies. We also face competition from validated pathway therapy treatments offered by companies such as AstraZeneca, Byondis, Daiichi Sankyo, Genentech, MacroGenics, Pieris, Puma, Seattle Genetics, Spectrum Pharmaceuticals, and Zymeworks. We also face competition from companies that continue to invest in innovation in the antibody-drug conjugate field, including but not limited to AbbVie, ADC Therapeutics, Astellas, BioAtla, Celldex, CytomX, Eli Lilly and Company, GlaxoSmithKline, Genmab, ImmunoGen, Immunomedics, Millennium Pharmaceuticals, MorphoSys AG, Novartis, Pfizer, Sanofi, Seattle Genetics, Sutro Biopharma, and VelosBio.

Many of our competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, preclinical testing, clinical trials, manufacturing, and marketing than we do. Future collaborations and mergers and acquisitions

may result in further resource concentration among a smaller number of competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors will also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or that may be necessary for, our programs.

Our commercial potential could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market or make our development more complicated. The key competitive factors affecting the success of all of our programs are likely to be efficacy, safety and convenience.

Manufacturing

Our antibody-drug conjugate is produced by chemical conjugation of a non-cytotoxic linker-payload to a monoclonal antibody. We have significant internal expertise in engineering and humanization of antibodies and designing linker-payload to customize the drug conjugate for a desired target profile. The small molecule linker-payload is chemically synthesized, and the antibody is produced by conventional biological process technology. The manufacturing process involves production of the linker-payload and antibody process intermediates, the conjugation of the intermediates to produce bulk therapeutic substance and fill/finish of the therapeutic product.

We do not own or operate, and currently have no plans to establish, any manufacturing facilities subject to compliance with current good manufacturing practices (cGMP). We operate on an outsourced model and rely on contracts with third-party development and manufacturing organizations designed to comply with cGMPs to produce and test the intermediates, therapeutic substance and therapeutic product to support clinical development, and commercialization, if any of our product candidates obtain marketing approval. We are working with these manufacturers to scale up our manufacturing capabilities to support our clinical plans. We also rely on third parties to package, label, store and distribute our product candidates, as well as for our commercial products if marketing approval is obtained. We believe that this strategy allows us to maintain a more efficient infrastructure by eliminating the need for us to invest on our own manufacturing facilities, equipment and personnel while also enabling us to focus our expertise and resources on the design and development of our product candidates.

Commercialization Plan

We intend to retain significant development and commercial rights to our product candidates and, if marketing approval is obtained, to commercialize our product candidates on our own, or potentially with a partner, in the United States and other regions. We currently have no sales, marketing or commercial product distribution capabilities and have no experience as a company commercializing products. We intend to build the necessary infrastructure and capabilities over time for the United States, and potentially other regions, following further advancement of our product candidates. Clinical data, the size of the addressable patient population, the size of the commercial infrastructure and manufacturing needs may all influence or alter our commercialization plans.

License Agreement

License Agreement with WuXi Biologics (Hong Kong) Limited

In October 2019, we entered into a cell line license agreement with WuXi Biologics (Hong Kong) Limited (WuXi Bio), pursuant to which we received a non-exclusive, worldwide, sublicensable license under certain of WuXi Bio's intellectual property rights, know-how and biological materials (WuXi Bio Licensed Technology), to make, use, sell, offer for sale and import a product developed through the use of the WuXi Bio Licensed Technology (WuXi Bio Licensed Product). The WuXi Bio Licensed Technology is used to manufacture a component of our lead product, SBT6050.

In January 2020, we paid a license fee in the low six figures to WuXi Bio. We may be required to pay an additional license fee in the mid five figures if we manufacture one or more additional WuXi Bio Licensed Products. Additionally, if we do not engage WuXi Bio to manufacture the WuXi Bio Licensed Products for our clinical and commercial supplies, we are required to make milestone payments to WuXi Bio upon the achievement of certain sales milestones. Under such scenarios, upon achieving certain thresholds for the aggregate annual net sales of a WuXi Bio Licensed Product, we would owe WuXi Bio aggregate milestone payments up to the low eight figures.

The WuXi Bio Agreement will continue indefinitely unless terminated in accordance with the agreement. The WuXi Bio Agreement may be terminated (i) by us upon six months' written notice provided we pay all amounts due to WuXi Bio through the effective date of termination, (ii) by either party for the other party's material breach that remains uncured for 30 days after written notice, and (iii) by WuXi Bio after 45 days' written notice if we fail to make a payment within 30 days after receiving notice of such failure.

Master Services Agreements

Master Services Agreement with CE3, Inc.

In January 2020, we entered into a master services agreement (MSA) with CE3, Inc. (CE3) pursuant to which CE3 will perform certain clinical research and administrative services in connection with our lead product SBT6050, including trial management, site selection, site management, project management, data collection and analysis, and other related services, in support of certain clinical research and trials. In addition to the fees for these services, we are obligated to pay the fees and expenses incurred in connection with the services provided by CE3.

The CE3 MSA will expire in January 2025, unless earlier terminated in accordance with the MSA. The MSA can be terminated (i) by either party at any time upon 30 days' written notice provided any ongoing work order will continue until the termination date set forth in such work order; (ii) by either party for the other party's material breach that remains uncured for 60 days after written notice; (iii) by either party if the other party becomes insolvent or bankrupt; or (iv) by us if either party is unable to obtain required ongoing review and/or approvals from regulatory agencies in connection with services to be performed under the MSA.

Master Laboratory Services Agreement with Q Squared Solutions LLC

In May 2020, we entered into a Master Laboratory Services Agreement (MLSA) with Q Squared Solutions LLC (Q Squared) pursuant to which Q Squared will perform certain project planning, laboratory design consultation, laboratory analysis, data management and other laboratory services in connection with our lead product SBT6050. In addition to the fees for these services, we are obligated to pay the fees, expenses and pass-through costs incurred in connection with the services provided by Q Squared.

The Q Squared MLSA will continue until May 2025, at which time it will automatically renew annually unless either party elects not to renew by providing 30 days' written notice prior to the date of an automatic renewal. Additionally, the MLSA can be terminated (i) by either party at any time upon 90 days' written notice; (ii) by either party for the other party's material breach that remains uncured for 30 days after written notice; (iii) by either party if the other party becomes insolvent or files for bankruptcy; or (iv) by Q Squared if its continued performance of services would constitute a potential or actual violation of regulatory or scientific standards of integrity.

Intellectual Property

We strive to protect and enhance the proprietary technology, inventions, and improvements that are commercially important to our business, including seeking, maintaining and defending patent rights, whether developed internally or licensed from third parties. We own the issued patents and patent applications relating to our lead product candidate SBT6050. Our policy includes seeking to protect our proprietary position by, among other methods, filing patent applications, in the United States and in jurisdictions outside of the United States, directed to our proprietary technology, inventions, improvements, and product candidates that are important to the development and implementation of our business. We also rely on trade secrets and know-how relating to our proprietary technology and product candidates, continued innovation, and in-licensing opportunities to develop, strengthen and maintain our proprietary position in the field of immunotherapy. We also plan to rely on data exclusivity, market exclusivity, and patent term extensions when available. Our commercial success will depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions, and improvements; to preserve the confidentiality of our trade secrets and know-how; to obtain and maintain licenses to use intellectual property owned by third parties; to defend and enforce our proprietary rights, including any patents that we may own in the future; and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties.

As of September 30, 2020, our licensed and owned patent portfolio included four owned U.S. patents, 23 owned U.S. provisional and non-provisional patent applications, 10 owned patent applications filed under the Patent Cooperation Treaty (PCT), 36 owned foreign patent applications, directed to TLR8 agonists and conjugates, including SBT6050, TGFßR1 antagonists and conjugates, TGFßR2 antagonists and conjugates, TLR7 agonists and conjugates, and various applications of our proprietary antibody conjugates and antibodies, including antibodies specific for Nectin4 and ASGR, as well as certain of our other proprietary antibodies, compounds, conjugates, formulations, technology, inventions, improvements, and other product candidates. Any patents that issue from these pending patent applications will expire between March 2038 and July 2041, absent any patent term adjustments or extensions. We also possess and/or in-license substantial know-how and trade secrets relating to the development and commercialization of our product candidates, including related manufacturing processes and technology.

Specifically, our patent portfolio includes the following families and/or groups of families:

- **TLR8 Agonists and Conjugates.** We have four issued U.S. patents with composition of matter and method of treatment claims directed to our lead product candidate, SBT6050, and composition of matter, method of treatment, and method of making claims to TLR8 agonist payloads, linker-payloads and conjugates, including conjugates to HER2-directed antibodies. The issued U.S. patents expire in March 2038, absent any patent term extensions. We have three pending U.S. patent applications, four pending PCT applications, and 15 pending patent applications outside of the United States, with composition of matter claims directed to SBT6050, formulations of SBT6050, and other TLR8 agonists and conjugates, including capped and substituted TLR8 agonist variants and conjugates, as well as claims to methods of

administering SBT6050, and other TLR8 agonists and conjugates, and to methods for treating oncology indications. Any patents that issue from these pending patent applications will expire between March 2038 and August 2040, absent any patent term adjustments or extensions. We own all the issued U.S. patents and all the pending patent applications in these patent families.

With respect to our product candidates and processes, we intend to develop and commercialize in the normal course of business, and we intend to pursue patent protection directed to, when possible, compositions, methods of use, methods of making, dosing, and formulations. We may also pursue patent protection with respect to manufacturing, therapeutic development processes and technologies, and therapeutic delivery technologies.

Issued patents can provide protection for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance, and the legal term of patents in the countries in which they are obtained. In general, patents issued for applications filed in the United States can provide exclusionary rights for 20 years from the earliest effective filing date. In addition, in certain instances, the term of an issued U.S. patent that is directed to or claims an FDA approved product can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period, which is called patent term extension. The restoration period cannot be longer than five years and the total patent term, including the restoration period, must not exceed 14 years following FDA approval. The term of patents outside of the United States varies in accordance with the laws of the foreign jurisdiction, but typically is also 20 years from the earliest effective filing date. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its claims, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

The patent positions of companies like ours are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the field of immunotherapy has emerged in the United States. The relevant patent laws and their interpretation outside of the United States is also uncertain. Changes in either the patent laws or their interpretation in the United States and other countries may diminish our ability to protect our technology or product candidates and enforce the patent rights that we license, and could affect the value of such intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell, or importing products that infringe our intellectual property will depend in part on our success in obtaining and enforcing patent claims that cover our technology, inventions, and improvements. With respect to both licensed and company-owned intellectual property, we cannot guarantee that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications we may file in the future, nor can we be sure that any patents that may be granted to us in the future will be commercially useful in protecting our products, the methods of use or manufacture of those products. Moreover, even the issued patents that we license do not guarantee us the right to practice our technology in relation to the commercialization of our products. Patent and other intellectual property rights in the pharmaceutical and biotechnology space are evolving and involve many risks and uncertainties. For example, third parties may have blocking patents that could be used to prevent us from commercializing our product candidates and practicing our proprietary technology, and the issued patents that we in-license and those that may issue in the future may be challenged, invalidated, or circumvented, which could limit our ability to stop competitors from marketing related products or could limit the term of patent protection that otherwise may exist for our product candidates. In addition, the scope of the rights granted under any issued patents may not provide us with protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may independently develop similar technologies that are outside the scope of the rights granted under any issued patents that we own or exclusively in-license. For these reasons, we may face competition with respect to our product candidates. Moreover, because of the

extensive time required for development, testing and regulatory review of a potential product, it is possible that, before any particular product candidate can be commercialized, any patent protection for such product may expire or remain in force for only a short period following commercialization, thereby reducing the commercial advantage the patent provides.

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries and jurisdictions, including the European Union, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of drug and biological products, such as our investigational medicines and any future investigational medicines. Generally, before a new drug or biologic can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific for each regulatory authority, submitted for review and approved by the regulatory authority.

Regulatory Approval in the United States

In the United States, pharmaceutical products are subject to extensive regulation by the FDA. The FDCA, and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post- approval monitoring and reporting, sampling, and import and export of pharmaceutical products. Biological products used for the prevention, treatment or cure of a disease or condition of a human being are subject to regulation under the FDCA, except the section of the FDCA that governs the approval of new drug applications, NDAs. Biological products, such as our ImmunoTAC product candidates, are approved for marketing under provisions of the Public Health Service Act (PHSA), via a BLA. However, the application process and requirements for approval of BLAs are very similar to those for NDAs, and biologics are associated with similar approval risks and costs as drugs. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as clinical hold, FDA refusal to approve pending NDAs or BLAs, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

Our investigational medicines and any future investigational medicines must be approved by the FDA pursuant to a BLA before they may be legally marketed in the United States. The process generally involves the following:

- completion of extensive preclinical laboratory and animal studies in accordance with applicable regulations, including studies conducted in accordance with GLP requirements;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an IRB or independent ethics committee at each clinical trial site before each clinical trial may be commenced;
- performance of adequate and well-controlled human clinical trials in accordance with applicable IND regulations, GCP requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;
- submission to the FDA of a BLA;
- payment of any user fees for FDA review of the BLA;

- a determination by the FDA within 60 days of its receipt of a BLA to accept the filing for review;
- satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the biologic, or components thereof, will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the biologic's identity, strength, quality and purity;
- satisfactory completion of any potential FDA audits of the clinical trial sites that generated the data in support of the BLA to assure compliance with GCPs and integrity of the clinical data;
- FDA review and approval of the BLA, including consideration of the views of any FDA advisory committee; and
- compliance with any post-approval requirements, including REMS, where applicable, and post- approval studies required by the FDA as a condition of approval.

The preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, or at all.

Preclinical Studies

Before testing any biological product candidates in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluation of product candidates and formulations, as well as *in vitro and animal studies to assess the potential for adverse events and in some cases to establish a rationale for therapeutic use. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations for safety/toxicology studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical studies, among other things, to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans and must become effective before human clinical trials may begin. Some long-term preclinical testing may continue after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.*

Clinical Trials

The clinical stage of development involves the administration of the investigational product to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with GCPs, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors; as well as (iii) under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated in the trial. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed.

There also are requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Information about certain clinical trials, including clinical trial results, must be submitted within specific timeframes for publication on the www.clinicaltrials.gov website. Information related to the product, patient population, phase of investigation, clinical trial sites and investigators and other aspects of the clinical trial is then made public as part of the registration. Disclosure of the results of these clinical trials can be delayed in certain circumstances for up to two years after the date of completion of the trial.

A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, the sponsor may submit data from the clinical trial to the FDA in support of a BLA. The FDA will accept a well- designed and well-conducted foreign clinical trial not conducted under an IND if the clinical trial was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials are generally conducted in three sequential phases, known as Phase 1, Phase 2 and Phase 3:

- Phase 1 clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacokinetics, pharmacologic action, side effect tolerability, safety of the product candidate, and, if possible, early evidence of effectiveness.
- Phase 2 clinical trials generally involve studies in disease-affected patients to evaluate proof of concept and/or determine the dosing regimen(s) for subsequent investigations. At the same time, safety and further pharmacokinetic and pharmacodynamic information is collected, possible adverse effects and safety risks are identified, and a preliminary evaluation of efficacy is conducted.
- Phase 3 clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product labeling. In most cases, the FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of the biologic.

These Phases may overlap or be combined. For example, a Phase 1/2 clinical trial may contain both a dose-escalation stage and a dose expansion stage, the latter of which may confirm tolerability at the recommended dose for expansion in future clinical trials (as in traditional Phase 1 clinical trials) and provide insight into the anti-tumor effects of the investigational therapy in selected subpopulation(s).

Typically, during the development of oncology therapies, all subjects enrolled in Phase 1 clinical trials are disease-affected patients and, as a result, considerably more information on clinical activity may be collected during such trials than during Phase 1 clinical trials for non-oncology therapies. A single Phase 3 or Phase 2 trial with other confirmatory evidence may be sufficient in rare instances to provide substantial evidence of effectiveness (generally subject to the requirement of additional post-approval studies).

Phase 1, Phase 2, Phase 3 and other types of clinical trials may not be completed successfully within any specified period, if at all. The FDA, the IRB, or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including non-compliance with regulatory requirements or a finding that the patients are being exposed to an unacceptable health risk. Similarly, an IRB can

suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug or biologic has been associated with unexpected serious harm to patients. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether a trial may move forward at designated checkpoints based on access to certain data from the trial.

Concurrent with clinical trials, companies usually complete additional animal studies and also must develop additional information about the chemistry and physical characteristics of the drug or biologic as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product and, among other things, companies must develop methods for testing the identity, strength, quality, potency and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the investigational medicines do not undergo unacceptable deterioration over their shelf life.

FDA Review Process

Following completion of the clinical trials, the results of preclinical studies and clinical trials are submitted to the FDA as part of a BLA, along with proposed labeling, chemistry and manufacturing information to ensure product quality and other relevant data. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA approval of a BLA must be obtained before a biologic or drug may be marketed in the United States. The cost of preparing and submitting a BLA is substantial. Under the PDUFA, each BLA must be accompanied by a substantial user fee. The FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on BLAs for products designated as orphan drugs, unless the product also includes a non-orphan indication. The applicant under an approved BLA is also subject to an annual program fee.

The FDA reviews all submitted BLAs before it accepts them for filing and may request additional information. The FDA must make a decision on accepting a BLA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth review of the BLA. Under the goals and policies agreed to by the FDA under PDUFA, the FDA has 10 months, from the filing date, in which to complete its initial review of an original BLA for a new molecular entity and respond to the applicant, and six months from the filing date of an original BLA designated for priority review. The review process for both standard and priority review may be extended by the FDA for three additional months to consider certain late-submitted information, or information intended to clarify information already provided in the submission. The FDA does not always meet its PDUFA goal dates for standard and priority BLAs, and the review process can be extended by FDA requests for additional information or clarification.

Before approving a BLA, the FDA will conduct a pre-approval inspection of the manufacturing facilities for the new product to determine whether they comply with cGMP requirements. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications.

The FDA also may audit data from clinical trials to ensure compliance with GCP requirements and the integrity of the data supporting safety and efficacy. Additionally, the FDA may refer applications

for novel products or products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions, if any. The FDA is not bound by recommendations of an advisory committee, but it generally follows such recommendations when making decisions on approval. The FDA likely will reanalyze the clinical trial data, which could result in extensive discussions between the FDA and the applicant during the review process.

After the FDA evaluates a BLA, it will issue either an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the biologic with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application will not be approved in its present form. A Complete Response Letter generally outlines the deficiencies in the BLA and may require additional clinical data, additional pivotal clinical trial(s) and/or other significant and time-consuming requirements related to clinical trials, preclinical studies or manufacturing in order for FDA to reconsider the application. If a Complete Response Letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing. The FDA has committed to reviewing such resubmissions in two or six months, depending on the type of information included. Even if such data and information are submitted, the FDA may decide that the BLA does not satisfy the criteria for approval.

As a condition of BLA approval, the FDA may require a REMS to help ensure that the benefits of the biologic outweigh the potential risks to patients. A REMS can include medication guides, communication plans for healthcare professionals and elements to assure a product's safe use (ETASU). An ETASU can include, but is not limited to, special training or certification for prescribing or dispensing the product, dispensing the product only under certain circumstances, special monitoring and the use of patient-specific registries. The requirement for a REMS can materially affect the potential market and profitability of the product. Moreover, the FDA may require substantial post-approval testing and surveillance to monitor the product's safety or efficacy.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biological product intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States but for which there is no reasonable expectation that the cost of developing and making the product for this type of disease or condition will be recovered from sales of the product in the United States.

Orphan drug designation must be requested before submitting a BLA. After the FDA grants orphan drug designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation on its own does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same product for the same indication for seven years from the date of such approval, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity by means of greater effectiveness, greater safety, or providing a major contribution to patient care, or in instances of drug supply issues. Competitors, however, may receive approval of either a different product for the same indication or the same product for a different indication. In the latter case, because healthcare

professionals are free to prescribe products for off-label uses, the competitor's product could be used for the orphan indication despite another product's orphan exclusivity.

FDA's determination of whether two ADCs are the same product for purposes of orphan drug exclusivity is based on a determination of sameness of the monoclonal antibody element and the functional element of the conjugated molecule. Two ADCs are deemed to be the same product if the complementarity determining region sequences of the antibody and the functional element of the conjugated molecule are the same. A difference in either of those two elements can result in a determination that the molecules are different.

Expedited Development and Review Programs

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition.

Fast track designation may be granted for products that are intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and preclinical or clinical data demonstrate the potential to address unmet medical needs for the condition. Fast track designation applies to both the product and the specific indication for which it is being studied. The sponsor of a new biologic candidate can request the FDA to designate the candidate for a specific indication for fast track status concurrent with, or after, the submission of the IND for the candidate. The FDA must determine if the biologic candidate qualifies for fast track designation within 60 days of receipt of the sponsor's request. For fast track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a fast track product's BLA before the application is complete. This "rolling review" is available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a fast track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. Any product submitted to the FDA for marketing, including under a fast track program, may be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval.

Breakthrough therapy designation may be granted for products that are intended, alone or in combination with one or more other products, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints. Under the breakthrough therapy program, the sponsor of a new biologic candidate may request that the FDA designate the candidate for a specific indication as a breakthrough therapy concurrent with, or after, the submission of the IND for the biologic candidate. The FDA must determine if the biological product qualifies for breakthrough therapy designation within 60 days of receipt of the sponsor's request. The FDA may take certain actions with respect to breakthrough therapies, including holding meetings with the sponsor throughout the development process, providing timely advice to the product sponsor regarding development and approval, involving more senior staff in the review process, assigning a cross-disciplinary project lead for the review team and taking other steps to design the clinical studies in an efficient manner.

Priority review may be granted for products that are intended to treat a serious or life-threatening condition and, if approved, would provide a significant improvement in safety and effectiveness compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of an application designated for priority review in an effort to facilitate the review.

Accelerated approval may be granted for products that are intended to treat a serious or life-threatening condition and that generally provide a meaningful therapeutic advantage to patients over

existing treatments. A product eligible for accelerated approval may be approved on the basis of either a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments. In clinical trials, a surrogate endpoint is a measurement of laboratory or clinical signs of a disease or condition that substitutes for a direct measurement of how a patient feels, functions or survives. The accelerated approval pathway is most often used in settings in which the course of a disease is long, and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, accelerated approval has been used extensively in the development and approval of products for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large studies to demonstrate a clinical or survival benefit. The accelerated approval pathway is contingent on a sponsor's agreement to conduct additional post-approval confirmatory studies to verify and describe the product's clinical benefit. These confirmatory trials must be completed with due diligence and, in some cases, the FDA may require that the trial be designed, initiated and/or fully enrolled prior to approval. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, would allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or the time period for FDA review or approval may not be shortened. Furthermore, fast track designation, breakthrough therapy designation, priority review and accelerated approval do not change the standards for approval, but may expedite the development or approval process.

Additional Controls for Biologics

To help reduce the increased risk of the introduction of adventitious agents, the PHSA emphasizes the importance of manufacturing controls for products whose attributes cannot be precisely defined. The PHSA also provides authority to the FDA to immediately suspend licenses in situations where there exists a danger to public health, to prepare or procure products in the event of shortages and critical public health needs, and to authorize the creation and enforcement of regulations to prevent the introduction or spread of communicable diseases in the United States and between states.

After a BLA is approved, the product may also be subject to official lot release as a condition of approval. As part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official release by the FDA, the manufacturer submits samples of each lot of product to the FDA together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products, such as viral vaccines, before releasing the lots for distribution by the manufacturer. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency and effectiveness of biological products. As with drugs, after approval of biologics, manufacturers must address any safety issues that arise, are subject to recalls or a halt in manufacturing, and are subject to periodic inspection after approval.

Pediatric Information

Under the Pediatric Research Equity Act (PREA), BLAs or supplements to BLAs must contain data to assess the safety and effectiveness of the biological product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the biological product is safe and effective. The FDA may grant full or partial waivers, or deferrals, for submission of data. Unless otherwise required by regulation, PREA generally does not apply to any biological product for an indication for which orphan designation has been granted. However, beginning in 2020, PREA will apply to BLAs for orphan-designated biologics if the biologic is a molecularly targeted cancer product intended for the treatment of an adult cancer and is directed at a molecular target that FDA has determined is substantially relevant to the growth or progression of a pediatric cancer.

The Best Pharmaceuticals for Children Act (the BPCA) provides a six-month extension of any exclusivity—patent or non-patent—for a biologic if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new biologic in the pediatric population may produce health benefits in that population, FDA making a written request for pediatric studies, and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Post-Approval Requirements

Once a BLA is approved, a product will be subject to certain post-approval requirements. For instance, the FDA closely regulates the post-approval marketing and promotion of biologics, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the Internet. Biologics may be marketed only for the approved indications and in a manner consistent with the provisions of the approved labeling.

Adverse event reporting and submission of periodic safety summary reports is required following FDA approval of a BLA. The FDA also may require post-marketing testing, known as Phase 4 testing, REMS, and surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality control, biological product manufacture, packaging and labeling procedures must continue to conform to cGMPs after approval. Biologic manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the agency inspects a biologic product's manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality-control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with required regulatory standards, if it encounters problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, imposition of post-market studies or clinical studies to assess new safety risks or imposition of

distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, suspension of the approval, complete withdrawal of the product from the market or product recalls;
- fines, warning or other enforcement-related letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending BLAs or supplements to approved BLAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act, informally known as the Hatch-Waxman Act. The Hatch Waxman Act permits a patent term extension of up to five years as compensation for patent term lost during the FDA regulatory review process. Patent term extension (PTE), however, cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The PTE period is generally one half the time between the effective date of an IND and the submission date of a BLA, plus the time between the submission date of a BLA and the approval of that application, except that the review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved drug is eligible for such an extension, only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended and the application for the extension must be submitted prior to the expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any PTE or restoration. 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, we or our licensors may apply for PTE for our owned or licensed patents to add patent life beyond their current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant BLA. However, an extension might not be granted because of, for example, our or our licensors' failure to exercise due diligence during the testing phase or regulatory review process, failure to apply within applicable deadlines, failure to apply prior to expiration of relevant patents or any other failure to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than requested. There is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether any extensions should be granted, and if granted, the length of such extensions.

Biosimilars and Exclusivity

The Biologics Price Competition and Innovation Act of 2009 (the BPCIA) created an abbreviated approval pathway for biological products shown to be biosimilar to, or interchangeable with, an FDA-licensed reference biological product. Biosimilarity, which requires that the biological product be highly similar to the reference product notwithstanding minor differences in clinically inactive components and that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity and potency, can be shown through analytical studies, animal studies and a clinical trial or trials. Interchangeability requires that a biological product be biosimilar to the reference product and that the product can be expected to produce the same clinical results as the reference product in any given patient and, for products administered multiple times to an individual, that the product and the reference product may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biological product without such alternation or switch.

A reference biological product is granted 12 years of data exclusivity from the time of first licensure of the product and the FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product. “First licensure” typically means the initial date the particular product at issue was licensed in the United States. Date of first licensure does not include the date of licensure of (and a new period of exclusivity is not available for) a biological product if the licensure is for a supplement for the biological product or for a subsequent application by the same sponsor or manufacturer of the biological product (or licensor, predecessor in interest or other related entity) for a change (not including a modification to the structure of the biological product) that results in a new indication, route of administration, dosing schedule, dosage form, delivery system, delivery device or strength, or for a modification to the structure of the biological product that does not result in a change in safety, purity or potency.

The BPCIA is complex and only recently implemented by the FDA. Recent government proposals have sought to reduce the twelve-year reference product exclusivity period. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. As a result, the ultimate impact, implementation and meaning of the BPCIA is subject to significant uncertainty.

Regulatory Approval in the European Union

The EMA is a decentralized scientific agency of the European Union. It coordinates the evaluation and monitoring of centrally authorized medicinal products. It is responsible for the scientific evaluation of applications for EU marketing authorizations, as well as the development of technical guidance and the provision of scientific advice to sponsors. The EMA decentralizes its scientific assessment of medicines by working through a network of about 4,500 experts throughout the European Union, nominated by the member states. The EMA draws on resources of over 40 National Competent Authorities of European Union member states.

The process regarding approval of medicinal products in the European Union follows roughly the same lines as in the United States and likewise generally involves satisfactorily completing each of the following:

- preclinical laboratory tests, animal studies and formulation studies all performed in accordance with the applicable EU Good Laboratory Practice regulations;
- submission to the relevant national authorities of a clinical trial application (CTA) for each trial in humans, which must be approved before the trial may begin in each country where patient enrollment is planned;
- performance of adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication;
- submission to the relevant competent authorities of a MAA, which includes the data supporting safety and efficacy as well as detailed information on the manufacture and composition of the product in clinical development and proposed labelling;
- satisfactory completion of an inspection by the relevant national authorities of the manufacturing facility or facilities, including those of third parties, at which the product is produced to assess compliance with strictly enforced cGMP;
- potential audits of the non-clinical and clinical trial sites that generated the data in support of the MAA; and
- review and approval by the relevant competent authority of the MAA before any commercial marketing, sale or shipment of the product.

Preclinical Studies

Preclinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate toxicity in animal studies, in order to assess the quality and potential safety and efficacy of the product. The conduct of the preclinical tests and formulation of the compounds for testing must comply with the relevant international, EU and national legislation, regulations and guidelines. The results of the preclinical tests, together with relevant manufacturing information and analytical data, are submitted as part of the CTA.

Clinical Trials

Pursuant to the Clinical Trials Directive 2001/20/EC, as amended (the Clinical Trials Directive), a system for the approval of clinical trials in the European Union has been implemented through national legislation of the member states. Under this system, approval must be obtained from the competent national authority of each European Union member state in which a clinical trial is planned to be conducted. To this end, a CTA is submitted, which must be supported by an investigational medicinal product dossier and further supporting information prescribed by the Clinical Trials Directive and other applicable guidance documents including but not being limited to the clinical trial protocol. Furthermore, a clinical trial may only be started after a competent ethics committee has issued a favorable opinion on the clinical trial application in that country.

Directive 2001/20/EC will be replaced by Regulation (EU) No. 536/2014, which became effective on June 16, 2014. The Regulation introduces an authorization procedure based on a single submission via a single EU portal, an assessment procedure leading to a single decision, as well as transparency requirements (the proactive publication of clinical trial data in the EU database). Since October 2016, based on its Policy 0070, the EMA has been publishing clinical data submitted by pharmaceutical companies to support their MAA for human medicines under this centralized procedure.

Manufacturing and import into the EU of investigational medicinal products is subject to the holding of appropriate authorizations and must be carried out in accordance with cGMP.

Review and Approval

Authorization to market a product in the European Union member states proceeds under one of four procedures: a centralized authorization procedure, a mutual recognition procedure, a decentralized procedure or a national procedure. Since our products by their virtue of being antibody-based biologics fall under the centralized procedure, only this procedure will be described here.

Certain drugs, including medicinal products developed by means of biotechnological processes, must be approved via the centralized authorization procedure for marketing authorization. A successful application under the centralized authorization procedure results in a marketing authorization from the European Commission, which is automatically valid in all European Union member states. The other European Economic Area member states (namely Norway, Iceland and Liechtenstein) are also obligated to recognize the European Commission decision. The EMA and the European Commission administer the centralized authorization procedure.

Under the centralized authorization procedure, the Committee for Medicinal Products for Human Use (the CHMP), serves as the scientific committee that renders opinions about the safety, efficacy and quality of human products on behalf of the EMA. The CHMP is composed of experts nominated by each member state’s national drug authority, with one of them appointed to act as Rapporteur for the co-ordination of the evaluation with the possible assistance of a further member of the CHMP acting as a Co-Rapporteur. After approval, the Rapporteur(s) continue to monitor the product throughout its life

cycle. The CHMP is required to issue an opinion within 210 days of receipt of a valid application, though the clock is stopped if it is necessary to ask the applicant for clarification or further supporting data. The process is complex and involves extensive consultation with the regulatory authorities of member states and a number of experts. Once the procedure is completed, a European Public Assessment Report is produced. If the CHMP concludes that the quality, safety and efficacy of the medicinal product is sufficiently proven, it adopts a positive opinion. The CHMP's opinion is sent to the European Commission, which uses the opinion as the basis for its decision whether or not to grant a marketing authorization. If the opinion is negative, information is given as to the grounds on which this conclusion was reached.

After a drug has been authorized and launched, it is a condition of maintaining the marketing authorization that all aspects relating to its quality, safety and efficacy must be kept under review. Sanctions may be imposed for failure to adhere to the conditions of the marketing authorization. In extreme cases, the authorization may be revoked, resulting in withdrawal of the product from sale.

Conditional Approval and Accelerated Assessment

As per Article 14(7) of Regulation (EC) 726/2004, a medicine that would fulfill an unmet medical need may, if its immediate availability is in the interest of public health, be granted a conditional marketing authorization on the basis of less complete clinical data than are normally required, subject to specific obligations being imposed on the authorization holder. These specific obligations are to be reviewed annually by the EMA. The list of these obligations shall be made publicly accessible. Such an authorization shall be valid for 12 months, on a renewable basis.

When an application is submitted for a marketing authorization in respect of a drug for human use which is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation, the applicant may request an accelerated assessment procedure pursuant to Article 14(9) of Regulation (EC) 726/2004. Under the accelerated assessment procedure, the CHMP is required to issue an opinion within 150 days of receipt of a valid application, subject to clock stops. We believe that some of the disease indications in which our product candidates are currently being or may be developed in the future qualify for this provision, and we will take advantage of this provision as appropriate.

Period of Authorization and Renewals

A marketing authorization is initially valid for five years and may then be renewed on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the competent authority of the authorizing member state. To this end, the marketing authorization holder shall provide the EMA or the competent authority with a version of the file in respect of quality, safety and efficacy, including all variants introduced since the marketing authorization was granted, at least six months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization shall be valid for an unlimited period, unless the European Commission or the competent authority decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal. Any authorization which is not followed by the actual placing of the drug on the EU market (in case of centralized procedure) or on the market of the authorizing member state within three years after authorization shall cease to be valid (the so-called "sunset clause").

Without prejudice to the law on the protection of industrial and commercial property, marketing authorizations for new medicinal products benefit from an 8+2+1 year period of regulatory protection. This regime consists of a regulatory data protection period of eight years plus a concurrent market exclusivity of 10 years plus an additional market exclusivity of one further year if, during the first eight years of those 10 years, the marketing approval holder obtains an approval for one or more new

therapeutic indications which, during the scientific evaluation prior to their approval, are determined to bring a significant clinical benefit in comparison with existing therapies. Under the current rules, a third party may reference the preclinical and clinical data of the reference product beginning eight years after first approval, but the third party may market a generic version of the reference product after only 10 (or 11) years have lapsed.

Orphan Drug Designation

Regulation (EC) 141/2000 states that a drug shall be designated as an orphan drug if its sponsor can establish (i) that it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 persons in the European Union when the application is made, or that it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the drug in the European Union would generate sufficient return to justify the necessary investment; and (ii) that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the European Union or, if such method exists, the drug will be of significant benefit to those affected by that condition.

Regulation (EC) 847/2000 sets out criteria for the designation of orphan drugs. An application for designation as an orphan product can be made any time prior to the filing of an application for approval to market the product. Marketing authorization for an orphan drug leads to a 10-year period of market exclusivity, which means that no similar medicinal product can be authorized in the same indication. This period may, however, be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan drug designation, for example because the product is sufficiently profitable not to justify continued market exclusivity. In addition, derogation from market exclusivity may be granted on an individual basis in very selected cases, such as consent from the marketing authorization holder, inability to supply sufficient quantities of the product or demonstration of “clinically relevant superiority” by a similar medicinal product. Medicinal products designated as orphan drugs pursuant to Regulation (EC) 141/2000 are eligible for incentives made available by the European Union and by the member states to support research into, and the development and availability of, orphan drugs.

If the MAA of a medicinal product designated as an orphan drug pursuant to Regulation (EC) 141/2000 includes the results of all studies conducted in compliance with an agreed PIP, and a corresponding statement is subsequently included in the marketing authorization granted, the 10-year period of market exclusivity will be extended to 12 years.

Data Privacy and Security Laws

Numerous state, federal and foreign laws govern the collection, dissemination, use, access to, confidentiality and security of health-related information. In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws and regulations (e.g., Section 5 of the FTC Act), govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of our partners. State laws may be more stringent, broader in scope or offer greater individual rights with respect to protected health information, (PHI) than HIPAA, and state laws may differ from each other, which may complicate compliance efforts. Entities that are found to be in violation of HIPAA, as the result of a breach of unsecured PHI, a complaint about privacy practices, or an audit by HHS, may be subject to significant civil, criminal, and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance.

Even when HIPAA does not apply, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Individually identifiable health information is considered sensitive data that merits stronger safeguards.

Certain states have also adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA. For example, California enacted the CCPA, on June 28, 2018, which went into effect on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation.

Further, the collection, transfer, processing and other use of personal data, including health data of individuals within the EEA and the United Kingdom, is governed by the GDPR, which came into effect in May 2018. The GDPR imposes strict requirements on controllers and processors of personal data of individuals within the EEA and the United Kingdom, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches and taking certain measures when engaging third-party processors. The GDPR prohibits the transfer of personal data to countries outside the EEA, such as the United States, which are not considered by the European Commission to provide an adequate level of data protection. Switzerland has adopted similar restrictions. Failure to comply with the requirements of the GDPR and the related national data protection laws of the EEA member states and the United Kingdom may result in substantial fines and other administrative penalties. The GDPR and related data protection laws may impose additional responsibility and liability in relation to personal data that we collect and process and we may be required to put in place additional mechanisms ensuring compliance with such rules. This may be onerous and adversely affect our business, financial condition, results of operations and prospects.

Marketing

Much like the Anti-Kickback Statute prohibition in the United States, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the EU. The provision of benefits or advantages to physicians is governed by the national anti-bribery laws of European Union member states, such as the U.K. Bribery Act 2010. Infringement of these laws could result in substantial fines and imprisonment.

Payments made to physicians in certain European Union member states must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual European Union member states. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the European Union member states. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

International Regulation

In addition to regulations in the United States and Europe, a variety of foreign regulations govern clinical trials, commercial sales and distribution of product candidates. The approval process varies from country to country and the time to approval may be longer or shorter than that required for FDA or European Commission approval.

Other Healthcare Laws and Regulations and Legislative Reform

Healthcare and Privacy Laws and Regulations

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our operations, including any arrangements with healthcare providers, physicians, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws that may affect the business or financial arrangements and relationships through which we would market, sell and distribute our products. Our current and future operations are subject to regulation by various federal, state and local authorities in addition to the FDA, including but not limited to CMS, HHS (including the Office of Inspector General, Office for Civil Rights and the Health Resources and Service Administration), the U.S. Department of Justice (DOJ) and individual U.S. Attorney offices within the DOJ, and state and local governments. The healthcare laws that may affect our ability to operate include, but are not limited to:

- The federal Anti-Kickback Statute, which prohibits any person or entity from, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of an item or service reimbursable, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term “remuneration” has been broadly interpreted to include anything of value. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation. The federal Anti-Kickback Statute has also been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other hand. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, but the exceptions and safe harbors are drawn narrowly and require strict compliance in order to offer protection.
- Federal civil and criminal false claims laws, such as the FCA, which can be enforced by private citizens through civil qui tam actions, and civil monetary penalty laws prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, false, fictitious or fraudulent claims for payment of federal funds, and knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to avoid, decrease or conceal an obligation to pay money to the federal government. For example, pharmaceutical companies have been prosecuted under the FCA in connection with their alleged off-label promotion of drugs, purportedly concealing price concessions in the pricing information submitted to the government for government price reporting purposes, and allegedly providing free product to customers with the expectation that the customers would bill federal healthcare programs for the product. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes “any request or demand” for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims.

- HIPAA, among other things, imposes criminal liability for executing or attempting to execute a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and creates federal criminal laws that prohibit knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, impose requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security, and transmission of such individually identifiable health information.
- Federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.
- The federal transparency requirements under the Physician Payments Sunshine Act, created under the Patient Protection and Affordable Care Act (the Affordable Care Act), which requires, among other things, certain manufacturers of drugs, devices, biologics and medical supplies reimbursed under Medicare, Medicaid, or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to payments and other transfers of value provided to physicians, as defined by such law, and teaching hospitals and physician ownership and investment interests, including such ownership and investment interests held by a physician's immediate family members. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made during the previous year to certain non-physician providers such as physician assistants and nurse practitioners.
- Federal government price reporting laws, which require us to calculate and report complex pricing metrics in an accurate and timely manner to government programs.
- Federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.
- State and foreign laws that are analogous to each of the above federal laws, such as anti-kickback and false claims laws, that may impose similar or more prohibitive restrictions, and may apply to items or services reimbursed by non-governmental third-party payors, including private insurers, and state laws that require manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information.
- State and foreign laws that require pharmaceutical companies to implement compliance programs, comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or to track and report gifts, compensation and other remuneration provided to physicians and other healthcare providers; state laws that require the reporting of marketing expenditures or drug pricing, including information pertaining to and justifying price increases; state and local laws that require the registration of pharmaceutical sales representatives; and state laws that prohibit various marketing-related activities, such as the provision of certain kinds of gifts or meals; state laws that require the posting of information relating to clinical trials and their outcomes.

Legislative Reform

We operate in a highly regulated industry, and new laws, regulations and judicial decisions, or new interpretations of existing laws, regulations and decisions, related to healthcare availability, the method of delivery and payment for healthcare products and services could negatively affect our business, financial condition and prospects. There is significant interest in promoting healthcare reforms, and it is likely that federal and state legislatures within the United States and the governments of other countries will continue to consider changes to existing healthcare legislation.

For example, the United States and state governments continue to propose and pass legislation designed to reduce the cost of healthcare. In 2010, the U.S. Congress enacted the Affordable Care Act, which included changes to the coverage and reimbursement of drug products under government healthcare programs such as:

- increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program;
- established a branded prescription drug fee that pharmaceutical manufacturers of certain branded prescription drugs must pay to the federal government;
- expanded the list of covered entities eligible to participate in the 340B drug pricing program by adding new entities to the program;
- established 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 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;
- extended manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expanded eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- created a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for certain drugs and biologics, including our product candidates, that are inhaled, infused, instilled, implanted or injected;
- established a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research;
- established a Center for Medicare and Medicaid Innovation at the CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending; and
- created a licensure framework for follow-on biologic products.

There remain judicial and congressional challenges to certain aspects of the Affordable Care Act as well as efforts by the current U.S. Presidential Administration to repeal or replace certain aspects of the Affordable Care Act. For example, in 2017, the U.S. Congress enacted the Tax Act, which eliminated the tax-based shared responsibility payment imposed by the Affordable Care Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." On December 14, 2018, the U.S. District Court for the Northern

District of Texas held that the individual mandate is a critical and inseverable feature of the Affordable Care Act, and therefore, because it was repealed by the Tax Act, the remaining provisions of the Affordable Care Act are invalid as well. On December 18, 2019, the U.S. Court of Appeals for the Fifth Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the Affordable Care Act are invalid as well. On March 2, 2020, the Supreme Court of the United States granted the petitions for writ of certiorari to review this case and has allotted one hour for oral arguments, which are expected to occur in the fall. It is unclear how this litigation and other efforts to repeal and replace the Affordable Care Act will impact the Affordable Care Act. It is difficult to predict the future legislative landscape in healthcare and the effect on our business, results of operations, financial condition and prospects.

In addition, there have been and continue to be a number of initiatives at the United States federal and state levels that seek to reduce healthcare costs. In 2011, the U.S. Congress enacted the Budget Control Act, which included provisions intended to reduce the federal deficit. The Budget Control Act resulted in the imposition of 2% reductions in Medicare payments to providers beginning in 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020, absent additional congressional action. In addition, in 2012, the U.S. Congress enacted the American Taxpayer Relief Act, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. If government spending is further reduced, anticipated budgetary shortfalls may also impact the ability of relevant agencies, such as the FDA, to continue to function at current levels, which may impact the ability of relevant agencies to timely review and approve research and development, manufacturing and marketing activities, which may delay our ability to develop, market and sell any product candidates we may develop. Moreover, any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented, or any significant taxes or fees that may be imposed on us, as part of any broader deficit reduction effort or legislative replacement to the Budget Control Act, could have an adverse impact on our anticipated product revenues.

Furthermore, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several congressional inquiries and proposed legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drug products. At the federal level, the U.S. Presidential Administration's budget proposal for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the current U.S. Presidential Administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses and place limits on pharmaceutical price increases. Further, the current U.S. Presidential Administration previously released a "Blueprint" to lower drug prices and reduce out-of-pocket costs of drugs that contained proposals to increase drug manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products, and reduce the out-of-pocket costs of drug products paid by consumers. HHS has solicited feedback on some of these measures and has implemented others under its existing authority. For example, CMS issued a final rule in May 2019 to allow Medicare Advantage plans the option to use step therapy for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. While some of these and other

measures may require additional authorization to become effective, Congress and the current U.S. Presidential Administration have each indicated that it will continue to seek new measures to control drug costs. Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. We expect that additional state and federal healthcare reform measures will be adopted in the future.

Environmental, Health and Safety Laws and Regulations

We and our third-party contractors are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the use, generation, manufacture, distribution, storage, handling, treatment, remediation and disposal of hazardous materials and wastes. Hazardous chemicals, including flammable and biological materials, are involved in certain aspects of our business, and we cannot eliminate the risk of injury or contamination from the use, generation, manufacture, distribution, storage, handling, treatment or disposal of hazardous materials and wastes. In particular, our product candidates use PBDs, which are highly potent cytotoxins that require special handling by our and our contractors' staff. In the event of contamination or injury, or failure to comply with environmental, health and safety laws and regulations, we could be held liable for any resulting damages, fines and penalties associated with such liability could exceed our assets and resources. Environmental, health and safety laws and regulations are becoming increasingly more stringent. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations.

Pharmaceutical Coverage, Pricing and Reimbursement

The availability and extent of coverage and adequate reimbursement by governmental and private third-party payors are essential for most patients to be able to afford expensive medical treatments. In both domestic and foreign markets, sales of our product candidates will depend substantially on the extent to which the costs of our product candidates will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors decide which products will be covered and establish reimbursement levels for those products.

Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

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

Obtaining coverage approval and reimbursement for a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost- effectiveness data for the use of our products to the payor. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement at a

satisfactory level. If coverage and adequate reimbursement of our future products, if any, are unavailable or limited in scope or amount, such as may result where alternative or generic treatments are available, we may be unable to achieve or sustain profitability. Adverse coverage and reimbursement limitations may hinder our ability to recoup our investment in our product candidates, even if such product candidates obtain regulatory approval. For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such products. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. There is no uniform policy for coverage and reimbursement in the United States and, as a result, coverage and reimbursement can differ significantly from payor to payor. In the United States, private payors often, but not always, follow Medicare coverage and reimbursement policies with respect to newly approved products. It is difficult to predict what third- party payors will decide with respect to coverage and reimbursement for fundamentally novel products such as ours, as there is no body of established practices and precedents for these new products. Further, one payor's determination to provide coverage and adequate reimbursement for a product does not assure that other payors will also provide coverage and adequate reimbursement for that product. We may need to conduct expensive pharmaco-economic studies in order to demonstrate the medical necessity and cost-effectiveness of our product candidates. There can be no assurance that our product candidates will be considered medically necessary or cost-effective. In addition to third-party payors, professional organizations and patient advocacy groups such as the National Comprehensive Cancer Network and the American Society of Clinical Oncology can influence decisions about reimbursement for new medicines by determining standards for care. Therefore, it is possible that any of our product candidates, even if approved, may not be covered by third-party payors or the reimbursement limit may be so restrictive that we cannot commercialize the product candidates profitably.

Reimbursement agencies in Europe may be more restrictive than payors in the United States. For example, a number of cancer products have been approved for reimbursement in the United States but not in certain European countries. In Europe, pricing and reimbursement schemes vary widely from country to country. For example, some countries provide that products may be marketed only after an agreement on reimbursement price has been reached. Such pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Other countries require the completion of additional health technology assessments that compare the cost- effectiveness of a particular product candidate to currently available therapies. In addition, the European Union provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a product, may adopt a system of direct or indirect controls on the profitability of the company placing the product on the market or monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. Furthermore, many countries in the European Union have increased the amount of discounts required on pharmaceutical products, and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the European Union. The downward pressure on healthcare costs in general, and prescription products in particular, has become increasingly intense. As a result, there are increasingly higher barriers to entry for new products. There can be no assurance that any country that has reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of

our products, if approved in those countries. Accordingly, the reimbursement for any products in Europe may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenues and profits.

Furthermore, the containment of healthcare costs has become a priority of foreign and domestic governments as well as private third-party payors. The prices of drugs have been a focus in this effort. Governments and private third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications, which could affect our ability to sell our product candidates profitably. We also expect to experience pricing pressures due to the trend towards managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. These and other cost-control initiatives could cause us to decrease the price we might establish for products, which could result in lower-than-anticipated product revenues. In addition, the publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if coverage and adequate reimbursement of our products is unavailable or limited in scope or amount, our revenues and the potential profitability of our product candidates in those countries would be negatively affected.

Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not currently a party to any material legal proceedings. Regardless of outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Facilities

Our corporate headquarters are located in Seattle, Washington, where we lease approximately 19,829 square feet of office, laboratory and storage space pursuant to a lease agreement which commenced on November 1, 2016 and expires on October 31, 2026. We believe that our existing facilities are adequate for the foreseeable future. As we expand, we believe that suitable additional alternative spaces will be available in the future on commercially reasonable terms, if required.

Employees and Human Capital Resources

As of September 30, 2020, we had 52 full-time employees. Of these employees, 19 held Ph.D., Pharm.D. or M.D. degrees, and 41 were engaged in research, development and technical operations. We have 49 employees based at our headquarters in Seattle, Washington. Our employees are not represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and 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.

MANAGEMENT

The following table sets forth information regarding our executive officers and directors as of September 30, 2020:

Name	Age	Position(s)
Executive Officers:		
Laura Shawver, Ph.D.	63	Director, Chief Executive Officer
Valerie Odegard, Ph.D.	43	President and Chief Scientific Officer
Naomi Hunder, M.D.	51	Chief Medical Officer
Russ Hawkinson	61	Senior Vice President of Finance
Non-Employee Directors:		
Peter Thompson, M.D.	61	Chairman of the Board of Directors
Vickie L. Capps(1)	59	Director
Robert Hershberg, M.D., Ph.D.	57	Director
Saqib Islam, J.D.	51	Director
Scott Platshon(4)	29	Director
Jonathan Root, M.D.	60	Director
Thilo Schroeder, Ph.D.	39	Director

(1) Member of our audit committee.
(2) Member of our compensation committee.
(3) Member of our nominating and corporate governance committee.
(4) Mr. Platshon has notified us of his resignation from our board of directors, effective upon the effectiveness of the registration statement to which this prospectus relates.

Executive Officers

Laura Shawver, Ph.D. has served as our Chief Executive Officer and member of our board of directors since April 2020. Dr. Shawver has also served as a member of the board of directors for Relay Therapeutics, Inc. since March 2017 and Nkarta, Inc. since March 2020. Previously, Dr. Shawver served as the President and Chief Executive Officer and as a member of the board of directors of Synthorx, Inc. from November 2017 until its acquisition by Sanofi in January 2020. From September 2011 through April 2018 she served as Chief Executive Officer and as a member of the board of directors of Cleave Biosciences. From October 2010 to August 2011, Dr. Shawver was Entrepreneur in Residence for 5AM Ventures, and she was previously at Phenomix, Inc, SUGEN, Inc. and Berlex Biosciences (formerly Triton Biosciences). Dr. Shawver holds a B.S in microbiology and a Ph.D. in pharmacology, both from the University of Iowa. We believe Dr. Shawver is qualified to serve on our board of directors due to her experience as a director and executive officer of biopharmaceutical companies, her extensive background as a scientist and her educational background.

Valerie Odegard, Ph.D. joined Silverback in 2016 and has served as our President since September 2020 and as our Chief Scientific Officer since October 2018. Previously, Dr. Odegard served as Vice President of Research at Juno Therapeutics, Inc. from September 2014 to October 2016, where she was responsible for discovery, preclinical development and translational research leading to the advancement of novel cancer immunotherapies into clinical development. Previously, Dr. Odegard held research leadership positions at Novo Nordisk and Trubion, where she oversaw the discovery and preclinical development of therapeutics for oncology and inflammatory conditions. Dr. Odegard holds a B.S. in Biology from Wake Forest University and a Ph.D. in immunobiology from Yale University.

Naomi Hunder, M.D. has served as our Chief Medical Officer since September 2020, and served as our Senior Vice President of Clinical Research and Development from January 2019 to September

2020. Previously, Dr. Hunder served as the Vice President, Clinical Development and Medical Affairs of Acerta Pharma B.V. from March 2017 to January 2019. From September 2010 to February 2017, Dr. Hunder held various roles at Seattle Genetics, Inc., including Vice President, Clinical Development. Dr. Hunder holds a B.A. in Biology from Carleton College and a M.D. from Jefferson Medical College of Thomas Jefferson University.

Russ Hawkinson has served as our Senior Vice President of Finance since April 2020, and previously served as a finance consultant from March 2016 to April 2020. Previously, Mr. Hawkinson served as the Chief Financial Officer of OncoResponse, Inc., from May 2015 to June 2018. From April 2007 to June 2018, Mr. Hawkinson was the Chief Financial Officer of Theraclone Sciences, Inc. Mr. Hawkinson holds a B.A. from the University of Washington and was a Certified Public Accountant in the State of Washington for 17 years.

Non-Employee Directors

Peter Thompson, M.D. is one of our co-founders and has served as Chairman of our board of directors since April 2016. Dr. Thompson previously served as our Chief Executive Officer from April 2016 until April 2020. Dr. Thompson is a Partner at OrbiMed Advisors LLC, an investment firm. Dr. Thompson currently serves on the board of directors of Prevail Therapeutics Inc. since August 2017, Alpine Immune Sciences Inc. since July 2017, Corvus Pharmaceuticals, Inc. since December 2014, and PMV Pharma, Inc. since November 2014, as well as several private companies. Previously, Dr. Thompson served on the board of Synthorx Inc. until its acquisition by Sanofi in January 2020, Adaptimmune Therapeutics PLC until June 2018, Principia Biopharma Inc. until September 2018, and Sierra Oncology, Inc. until December 2015. Dr. Thompson also previously served in executive leadership roles at Trubion Pharmaceuticals, Inc., Chiron Corporation, and Becton, Dickinson and Company. Dr. Thompson is an Affiliate Professor of Neurosurgery at the University of Washington. In addition, Dr. Thompson holds numerous patents and is a board-certified internist and oncologist. Dr. Thompson holds a Sc. B. in Molecular Biology and Mathematics from Brown University and an M.D. from Brown University Medical School. We believe Dr. Thompson's experience in management and venture capital in the biopharmaceutical industry provides him with the qualifications and skills to serve as a member of our board of directors.

Vickie L. Capps has served as a member of our board of directors since June 2020. Ms. Capps has also served on the boards of NuVasive, Inc. since June 2015, Amedisys, Inc. since November 2019, and Otonomy, Inc. since March 2014. Ms. Capps also serves on the board of private company, OmniGuide Holdings, Inc., and the San Diego State University Research Foundation. Previously, Ms. Capps served on the boards of directors of Synthorx, Inc. from April 2018 until its acquisition by Sanofi in January 2020, and Connecture, Inc. from October 2014 until April 2018. From July 2002 to December 2013, Ms. Capps was the Chief Financial Officer of DJO Global, Inc. Ms. Capps holds a B.S. in business administration and accounting from San Diego State University. Ms. Capps is also a California Certified Public Accountant. We believe Ms. Capps is qualified to serve on our board of directors because of her exceptionally strong skill set consisting of corporate finance, accounting, operations, investor relations, capital markets and strategic business development.

Robert Hershberg, M.D., Ph.D. has served as a member of our board of directors since 2016. Dr. Hershberg has also served as a member of the board of directors of Adaptive Biotechnologies Corporation since February 2013, NanoString Technologies, Inc. since March 2015, and Fate Therapeutics, Inc. since May 2020. Since 2020, Dr. Hershberg has served as a Venture Partner at Frazier Healthcare Partners. Previously, Dr. Hershberg was the EVP/Head of Business Development and member of the Executive Committee at Celgene Corporation from 2016 up to the acquisition of Celgene by Bristol-Myers Squibb in 2019. Dr. Hershberg holds a B.S. in molecular biology and M.D., both from UCLA, and a Ph.D. in biology from the Salk Institute for Biological Studies. We believe

Dr. Hershberg is qualified to serve on our board of directors due to his extensive experience as a senior executive officer at multiple biotechnology companies.

Saqib Islam, J.D. has served as a member of our board of directors since July 2017. Mr. Islam has also served as the Chief Executive Officer and a member of the board of directors of Springworks Therapeutics, Inc. since August 2018. In addition, Mr. Islam has also served on the board of directors of Passage Bio, Inc. since March 2019. From February 2016 to August 2017, Mr. Islam served as Chief Business Officer at Moderna Therapeutics, Inc. From February 2013 to February 2016, Mr. Islam was Executive Vice President, Chief Strategy and Portfolio Officer at Alexion Pharmaceuticals, Inc. Prior to joining Alexion, Mr. Islam served in various Managing Director positions at Morgan Stanley and Credit Suisse. Mr. Islam holds a B.A. from McGill University where he was a Faculty and University Scholar, and a J.D. from Columbia Law School, where he was a Harlan Fiske Scholar. We believe that Mr. Islam is qualified to serve on our board of directors based on his experience and expertise in operations management and executive leadership at various biopharmaceutical companies.

Scott Platshon has served as a member of our board of directors since September 2020. Mr. Platshon joined EcoR1 in October 2015 where he currently serves as a Principal and is responsible for due diligence and analysis of biotechnology companies for value-oriented investment opportunities. Mr. Platshon previously served as an analyst at Aquilo Partners, a boutique life sciences investment bank, from September 2014 to September 2015. Mr. Platshon holds a B.S. in bioengineering from Stanford University. We believe that Mr. Platshon's educational background and his experience as an investor in life sciences companies provide him with the qualifications and skills necessary to serve as a member of our board of directors. Mr. Platshon has notified us of his resignation from our board of directors, effective upon the effectiveness of the registration statement to which this prospectus relates.

Jonathan Root, M.D. has served as a member of our board of directors since March 2020. Dr. Root has also served as a member of the boards of directors of Inari Medical, Inc. since September 2011 and OncoMed Pharmaceuticals from August 2004 to April 2019. Previously, Dr. Root served as a board member for OncoMed Pharmaceuticals, Inc., from August 2004 until its merger with Mereo BioPharma Group plc in April 2019. Dr. Root has served as a member of the board of directors for a number of privately held companies, including Cleave Therapeutics, Edgewise Therapeutics, and eFFECTOR Therapeutics. In addition, Dr. Root has also served as the Managing Member of several U.S. Venture Partners' funds since 1998. Dr. Root holds an A.B. from Dartmouth College, an M.D. from University of Florida, College of Medicine and an M.B.A. from Columbia Business School. We believe Dr. Root's medical, management and directorship experience in the healthcare industry qualified him to serve on our board of directors.

Thilo Schroeder, Ph.D. has served as a member of our board of directors since March 2020. Dr. Schroeder has served as a member of the board of directors of Revolution Medicines, Inc. since March 2018 and PMV Pharmaceuticals Inc. since November 2019. Dr. Schroeder has also served as a Partner at Nextech Invest Ltd., a venture capital fund focused on investing in oncology companies, since 2012. Previously, Dr. Schroeder served as a member of the board of directors of Blueprint Medicines Corp., from January 2014 to May 2015 and IDEAYA Biosciences, Inc., from January 2018 to June 2020. Dr. Schroeder holds a B.S. in Biology from the Technical University of Darmstadt in Germany, an M.S. in Biotechnology from the École de Supérieure de Biotechnologie de Strasbourg in France, and a Ph.D. in Biochemistry from the University of Zurich in Switzerland. We believe that Dr. Schroeder's educational background, his experience as a board member of biotechnology and pharmaceutical companies, and his experience as an investor in life sciences companies provide him with the qualifications and skills necessary to serve as a member of our board of directors.

Family Relationships and Other Arrangements

Pursuant to our amended and restated voting agreement, which will terminate upon the closing of this offering, the following directors were designated as directors to our board of directors:

- Dr. Shawver was designated by the holders of a majority of shares of our common stock.
- Dr. Thompson was designated by OrbiMed Private Investments VI, LP and elected by the holders of a majority of the shares of our Series A redeemable convertible preferred stock.
- Dr. Root was designated by U.S. Venture Partners XII, L.P. and elected by the holders of a majority of the shares of our Series B redeemable convertible preferred stock.
- Dr. Schroeder was designated by Nextech VI Oncology SCSp and elected by the holders of a majority of the shares of our Series B redeemable convertible preferred stock.
- Mr. Platshon was designated by EcoR1 Capital Fund, LP and elected by the holders of a majority of the shares of our Series C redeemable convertible preferred stock.
- Dr. Hershberg, Mr. Islam and Ms. Capps were designated by the other members of our board of directors and elected by the holders of a majority of shares of our common stock and redeemable convertible preferred stock, voting together as a single class.

Board Composition

Our board of directors currently consists of eight members with no vacancies. In accordance with our amended and restated certificate of incorporation, which will be effective immediately prior to the closing of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to the directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2021;
- The Class II directors will be and , and their terms will expire at the annual meeting of stockholders to be held in 2022; and
- The Class III directors will be and , and their terms will expire at the annual meeting of stockholders to be held in 2023.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Under the Nasdaq Stock Market LLC (Nasdaq), Marketplace Rules (the Nasdaq Listing Rules), independent directors must comprise a majority of our board of directors as a public company within 12 months of listing.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that all of our directors other than Drs. Shawver and Thompson are independent directors, as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Our board of directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee intends to adopt a written charter that satisfies the applicable rules and regulations of the SEC and Nasdaq Listing Rules, which we will post on our website at www.silverbacktx.com upon the closing of this offering.

Audit Committee

Our audit committee consists of Ms. Capps, and . Our board of directors has determined that each of the members of our audit committee satisfies the Nasdaq Stock Market and SEC independence requirements. Ms. Capps serves as the chair of our audit committee. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- monitoring the rotation of partners of our independent auditors on our engagement team as required by law;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and discussing the statements and reports with our independent auditors and management;
- reviewing, with our independent auditors and management, significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing with management and our independent auditors any earnings announcements and other public announcements regarding material developments;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters;
- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and providing oversight of any related-person transactions in accordance with our related person transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;
- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management are implemented;
- reviewing on a periodic basis our investment policy; and

- reviewing and evaluating on an annual basis the performance of the audit committee and the audit committee charter.

Our board of directors has determined that Ms. Capps qualifies as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of the Nasdaq Listing Rules. In making this determination, our board has considered Ms. Capps' prior experience, business acumen and independence. Both our independent registered public accounting firm and management periodically meet privately with our audit committee.

We believe that the composition and functioning of our audit committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Compensation Committee

Our compensation committee consists of and . serves as the chair of our compensation committee. Our board of directors has determined that each of the members of our compensation committee satisfies the Nasdaq Stock Market independence requirements. The functions of this committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) the compensation and other terms of employment of our executive officers;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;
- evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;
- reviewing and making recommendations to the full board of directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;
- establishing policies with respect to votes by our stockholders to approve executive compensation as required by Section 14A of the Exchange Act and determining our recommendations regarding the frequency of advisory votes on executive compensation, to the extent required by law;
- reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;
- administering our equity incentive plans;
- establishing policies with respect to equity compensation arrangements;
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;

- reviewing and making recommendations to the full board of directors regarding the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption “Compensation Discussion and Analysis” in our periodic reports or proxy statements to be filed with the SEC, to the extent such caption is included in any such report or proxy statement;
- preparing the report that the SEC requires in our annual proxy statement (if applicable); and
- reviewing and assessing on an annual basis the performance of the compensation committee and the compensation committee charter.

We believe that the composition and functioning of our compensation committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of and . Our board of directors has determined that each of the members of this committee satisfies the Nasdaq Stock Market independence requirements. serves as the chair of our nominating and corporate governance committee. The functions of this committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- determining the minimum qualifications for service on our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors;
- evaluating nominations by stockholders of candidates for election to our board of directors;
- considering and assessing the independence of members of our board of directors;
- developing a set of corporate governance policies and principles, including a code of business conduct and ethics, periodically reviewing and assessing these policies and principles and their application and recommending to our board of directors any changes to such policies and principles;
- considering questions of possible conflicts of interest of directors as such questions arise; and
- reviewing and assessing on an annual basis the performance of the nominating and corporate governance committee and the nominating and corporate governance committee charter.

We believe that the composition and functioning of our nominating and corporate governance committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of our executive officers or employees. None of our executive officers currently serves, or has served

during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or on our compensation committee.

Code of Business Conduct and Ethics

In connection with this offering, we intend to adopt a written code of business conduct and ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions, and agents and representatives. The full text of our code of business conduct and ethics will be posted on our website at www.silverbacktx.com upon the closing of this offering. The nominating and corporate governance committee of our board of directors will be responsible for overseeing our code of business conduct and ethics and any waivers applicable to any director, executive officer or employee. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of such provisions applicable to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and agents and representatives, on our website identified above.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and our amended and restated bylaws, which will become effective upon the closing of this offering, limits our directors' liability, and may indemnify our directors and officers to the fullest extent permitted under Delaware General Corporation Law (DGCL). The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or recession.

The DGCL and our amended and restated bylaws provide that we will, in certain situations, indemnify our directors and officers and may indemnify other employees and other agents, to the fullest extent permitted by law. Any indemnified person is also entitled, subject to certain limitations, to advancement, direct payment or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

In addition, we have entered, and intend to continue to enter, into separate indemnification agreements with some of our directors and officers. These indemnification agreements, among other things, require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as a director or officer, or any other company or enterprise to which the person provides services at our request.

We maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe that these provisions in our amended and restated certificate of incorporation and amended and restated bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, officers or control persons, in the opinion of the SEC, such indemnification is against public policy, as expressed in the Securities Act and is therefore unenforceable.

EXECUTIVE AND DIRECTOR COMPENSATION

Executive Compensation

Our named executive officers for the year ended December 31, 2019, consisting of our former principal executive officer and the next two most highly compensated executive officers who were serving in such capacity as of December 31, 2019, were:

- Peter Thompson, M.D.*, the Chairman of our board of directors and former President and Chief Executive Officer;
- Valerie Odegard, Ph.D., our President and Chief Scientific Officer; and
- Naomi Hunder, M.D., our Chief Medical Officer.

Summary Compensation Table

The following table presents all of the compensation awarded to or earned by or paid to our named executive officers during the fiscal year ended December 31, 2019.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)	Total ($)
Peter Thompson, M.D.	2019	—	—	—	—	—	—
Former President and Chief Executive Officer and Current Chairman of the Board of Directors(3)							
Valerie Odegard, Ph.D.	2019	319,300	—	—	95,790	—	415,090
President and Chief Scientific Officer							
Naomi Hunder, M.D.	2019	328,449	—	33,378	98,088	—	459,915
Chief Medical Officer							

(1) The amounts disclosed represent the aggregate grant date fair value of the stock options granted to our named executive officers during fiscal year 2019 under our Prior Plan, computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 10 to our audited financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officer.

(2) The amounts disclosed represent performance bonuses earned in 2019.

(3) Dr. Thompson served as our President and Chief Executive Officer until April 2020. Dr. Thompson did not receive any compensation in 2019 for his services to the Company.

Annual Base Salary

The 2019 annual base salaries for our named executive officers are set forth in the table below.

Name	2019 Base Salary
Peter Thompson, M.D.(1)	—
Valerie Odegard, Ph.D.	$319,300
Naomi Hunder, M.D.(2)	$328,449

* Dr. Thompson resigned as President and Chief Executive Officer in April 2020. Laura Shawver, Ph.D., joined as our President and Chief Executive Officer in April 2020.

(1) Dr. Thompson did not receive a salary for serving as our President and Chief Executive Officer in 2019.
(2) Dr. Hunder began in her employment after January 1, 2019 with a base salary of $340,000.

Non-Equity Incentive Plan Compensation

We seek to motivate and reward our executives for achievements relative to our corporate goals and expectations for each fiscal year. In 2019, each of our named executive officers (other than Dr. Thompson) was eligible to receive an annual performance bonus based on the achievement of performance goals as determined by our board of directors or an authorized committee thereof. For 2019, these goals included financing and clinical objectives. Each named executive officer (other than Dr. Thompson) was assigned a target bonus expressed as a percentage of her annual base salary. The target bonus amounts for Drs. Odegard and Hunder for 2019 were set at 30% and 30%, respectively. In December 2019, our board of directors determined that the 2019 corporate goals were achieved at 100% and, as a result, approved annual performance bonuses for Drs. Odegard and Hunder for 2019 in the amount of $95,790 and $98,088, respectively, as reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table above.

Equity-Based Incentive Awards

Our equity-based incentive awards are designed to align our interests and those of our stockholders with those of our employees and consultants, including our executive officers. Our board of directors or an authorized committee thereof is responsible for approving equity grants.

Historically, we have generally used stock options as an incentive for long-term compensation to our executive officers because stock options allow our executive officers to realize value from this form of equity compensation only if our stock price increases relative to the stock option's exercise price, which exercise price is set at the fair market value of our common stock on the date of grant. Certain stock options that we have granted to our executive officers permit "early exercise," whereby the executive officer can purchase shares subject to the stock option prior to vesting, subject to our right of repurchase, lapsing in accordance with the vesting schedule of the stock option.

We may grant equity awards at such times as our board of directors determines appropriate. Our executives generally are awarded an initial grant in the form of a stock option in connection with their commencement of employment with us. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

Prior to this offering, we granted stock options to each of our named executive officers pursuant to our Prior Plan, the terms of which are described below under the subsection titled "—Employee Benefit Plans—2016 Equity Incentive Plan."

Following the completion of this offering, we may grant additional equity awards to our named executive officers pursuant to our 2020 Plan, the terms of which are described below under the subsection titled "—Employee Benefit Plans—2020 Equity Incentive Plan."

All stock options are granted with an exercise price per share that is no less than the fair market value of our common stock on the date of grant of such award. Our stock option awards generally vest over a four-year period and may be subject to acceleration of vesting and exercisability under certain termination and change in control events, as described in more detail under the subsections titled "—Potential Payments and Benefits upon Termination or Change in Control" and "—Equity Benefit Plans."

Outstanding Equity Awards as of December 31, 2019

The following table presents the outstanding equity incentive plan awards held by each named executive officer as of December 31, 2019.

	Option Awards(1)				
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price Per Share ($)(2)	Option Expiration Date
Peter Thompson, M.D.	—	—	—	—	—
Valerie Odegard, Ph.D.	12/15/2016	99,517	41,690(3)	0.62	12/15/2026
	7/12/2018	33,332	47,236(4)	0.29	7/11/2028
	12/18/2018	61,715	67,093(5)	0.29	12/18/2028
Naomi Hunder, M.D.	3/8/2019	—	164,336(6)	0.29	3/8/2029

(1) All of the option awards were granted under the Prior Plan, the terms of which plan is described below under "—Employee Benefit and Stock Plans—2016 Equity Incentive Plan."

(2) All of the option awards were granted with a per share exercise price equal to the fair market value of one share of our common stock on the date of grant, as determined in good faith by our board of directors or compensation committee.

(3) This option vests over four years from October 24, 2016, with 1/4 vesting on the first anniversary of the vesting commencement date, and the remainder vesting in 36 equal monthly installments, subject to continued service through each such vesting date.

(4) This option vests over four years from June 1, 2018, subject to continued service through each such vesting date.

(5) This option vests over four years from December 18, 2018, with 1/4 vesting on the one month anniversary of the vesting commencement date, and the remainder vesting in 1/48th equal monthly installments, subject to continued service through each such vesting date.

(6) This option vests over four years from January 14, 2019, with 1/4 vesting on the first anniversary of the vesting commencement date, and the remainder vesting in 36 equal monthly installments, subject to continued service through each such vesting date.

Options held by our named executive officers are eligible for accelerated vesting under specified circumstances. Please see the subsection titled "—Potential Payments Upon Termination or Change of Control" below for a description of such potential acceleration.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act. As an emerging growth company we will be exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our Chief Executive Officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Act.

Pension Benefits

Our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during the fiscal year ended December 31, 2019.

Nonqualified Deferred Compensation

Our named executive officers did not participate in, or earn any benefits under, a non-qualified deferred compensation plan sponsored by us during the fiscal year ended December 31, 2019.

Employment, Severance and Change in Control Agreements

Employment Agreements

Below are descriptions of our employment agreements with our named executive officers as well as a description of our employment agreement with Laura Shawver, who joined as our President and Chief Executive Officer in April 2020. For a discussion of the severance pay and other benefits to be provided in connection with a termination of employment and/or a change in control under the arrangements with our named executive officers and Dr. Shawver, please see "—Potential Payments Upon Termination or Change in Control" below.

Laura Shawver, Ph.D. We entered into an employment agreement with Dr. Shawver in March 2020, which governs the current terms of Dr. Shawver's employment with us. Pursuant to the agreement, Dr. Shawver is entitled to an initial annual base salary of $450,000, is eligible to receive an annual performance bonus of up to 50% of her annual base salary, as determined by our board of directors, and was granted an option to purchase 2,899,124 shares of our common stock. Dr. Shawver's employment is at will.

Peter Thompson, M.D. We entered into a consulting agreement with Dr. Thompson in September 2018, which governs the current terms of Dr. Thompson's engagement with us. Pursuant to the agreement, Dr. Thompson provided services as the Company's President and Chief Executive Officer with no compensation. In March 2020, Dr. Thompson resigned as President and Chief Executive Officer, effective April 2020.

Valerie Odegard, Ph.D. We entered into an employment agreement with Dr. Odegard in July 2016, which governed the initial terms of Dr. Odegard's employment with us. Pursuant to the agreement, Dr. Odegard was entitled to an initial annual base salary of $260,000, was eligible to receive an annual performance bonus of up to 25% of her annual base salary, and was granted an option to purchase 225,212 shares of our common stock. As mentioned above, as of January 1, 2019, Dr. Odegard was entitled to an annual base salary of $319,300 and was eligible to receive an annual performance bonus with a target achievement of 30%, which amounts are subject to annual review by and at the sole discretion of our board of directors. Dr. Odegard's employment is at will.

Naomi Hunder, M.D. We entered into an employment agreement with Dr. Hunder in December 2018, which governed the initial terms of Dr. Hunder's employment with us. Pursuant to the agreement, Dr. Hunder was entitled to an initial annual base salary of $340,000, was eligible to receive an annual performance bonus of up to 30% of her annual base salary, and was granted an option to purchase 164,336 shares of our common stock. As mentioned above, as of January 1, 2019, Dr. Hunder was entitled to an annual base salary of $340,000 and was eligible to receive an annual performance bonus with a target achievement of 30%, which amounts are subject to annual review by and at the sole discretion of our board of directors. Dr. Hunder's employment is at will.

Potential Payments Upon Termination or Change of Control

Regardless of the manner in which a named executive officer's service terminates, our named executive officers are entitled to receive amounts earned during his or her term of service.

Stock options granted to our named executive officers include a "double-trigger" vesting acceleration provision, which provides for acceleration of each named executive officer's stock options in the event of a "change in control" (as defined in the Prior Plan) and the named executive officer's termination without "cause" (as defined in the Prior Plan), or resignation for "good reason" (as defined in the Prior Plan), within one month before or 12 months after a change in control.

Pursuant to Dr. Shawver's employment agreement, if Dr. Shawver's employment is terminated by us without "cause" or Dr. Shawver resigns for "good reason" (each, as defined in Dr. Shawver's employment agreement), upon the date that a release and waiver of claims in favor of us is irrevocable by Dr. Shawver, we will pay Dr. Shawver 12 months of her then-current base salary. In addition, in the event that we undergo a "change in control" (as defined in Dr. Shawver's employment agreement), then upon the date that a release and waiver of claims in favor of us is irrevocable by Dr. Shawver, 100% of the option granted pursuant to the terms of Dr. Shawver's employment agreement will automatically vest.

Other Compensation and Benefits

All of our named executive officers (except for Dr. Thompson) are eligible to participate in our employee benefit plans, including our medical, dental, vision and life plans, in each case on the same basis as all of our other employees. We pay the premiums for the life, disability, accidental death and dismemberment insurance for all of our employees, including our named executive officers (except for Dr. Thompson). We generally do not provide perquisites or personal benefits to our named executive officers.

Employee Benefit Plans

We believe that our ability to grant equity-based awards is a valuable and necessary compensation tool that aligns the long-term financial interests of our employees, consultants and directors with the financial interests of our stockholders. In addition, we believe that our ability to grant options and other equity-based awards helps us to attract, retain and motivate employees, consultants and directors, and encourages them to devote their best efforts to our business and financial success. The principal features of our equity incentive plans and our 401(k) plan are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which, other than the 401(k) plan, are filed as exhibits to the registration statement of which this prospectus is a part.

2020 Equity Incentive Plan

Our board of directors adopted our 2020 Plan on and our stockholders approved our 2020 Plan on . Our 2020 Plan provides for the grant of incentive stock options (ISOs) to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options (NSOs), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of stock awards to employees, directors, and consultants, including employees and consultants of our affiliates. Our 2020 Plan is a successor to and continuation of our Prior Plan, and will become effective on the execution of the underwriting agreement related to this offering.

Authorized Shares. Initially, the maximum number of shares of our common stock that may be issued under our 2020 Plan after it becomes effective will be shares, which is the sum of (i) new shares; plus (ii) the number of shares that remain available for issuance under our Prior Plan at the time our 2020 Plan becomes effective; and (iii) any shares subject to outstanding stock options or other stock awards that were granted under our Prior Plan that are forfeited, terminate, expire or are otherwise not issued. In addition, the number of shares of our common stock reserved for issuance under our 2020 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2021 (assuming the 2020 Plan becomes effective in 2020) through January 1, 2030, in an amount equal to % of the total number of shares of our capital stock outstanding on the last day of the calendar month before the date of each automatic increase, or a lesser number of shares determined by our board of directors. The maximum number of shares of our common stock that may be issued on the exercise of incentive stock options under our 2020 Plan is .

Shares subject to stock awards granted under our 2020 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2020 Plan. Additionally, shares become available for future grant under our 2020 Plan if they were issued under stock awards under our 2020 Plan if we repurchase them or they are forfeited. This includes shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2020 Plan. Our board of directors may also delegate to one or more of our officers the authority to (i) designate employees (other than officers) to receive specified stock awards and (ii) determine the number of shares subject to such stock awards. Under our 2020 Plan, our board of directors has the authority to determine and amend the terms of awards and underlying agreements, including:

- recipients;
- the exercise, purchase or strike price of stock awards, if any; the number of shares subject to each stock award;
- the vesting schedule applicable to the awards, together with any vesting acceleration; and
- the form of consideration, if any, payable on exercise or settlement of the award.

Under the 2020 Plan, the board of directors also generally has the authority to effect, with the consent of any adversely affected participant:

- the reduction of the exercise, purchase, or strike price of any outstanding award;
- the cancellation of any outstanding award and the grant in substitution therefore of other awards, cash, or other consideration; or
- any other action that is treated as a repricing under generally accepted accounting principles.

Stock Options. ISOs and NSOs are granted under stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2020 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2020 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (i) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant; and (ii) the option is not exercisable after the expiration of five years from the date of grant.

Restricted Stock Unit Awards. Restricted stock units are granted under restricted stock unit award agreements adopted by the plan administrator. Restricted stock units may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted stock unit agreement. Additionally, dividend equivalents may be credited in respect of

shares covered by a restricted stock unit. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Stock Awards. Restricted stock awards are granted under restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Stock Appreciation Rights. Stock appreciation rights are granted under stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. A stock appreciation right granted under the 2020 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator.

Performance Awards. The 2020 Plan permits the grant of performance-based stock and cash awards. The plan administrator may structure awards so that the shares of our stock, cash, or other property will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. The performance criteria that will be used to establish such performance goals may be based on any measure of performance selected by the plan administrator. The performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the goals are established, we will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the FDA or any other regulatory body. In addition, we retain the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of the goals. The performance goals may differ from participant to participant and from award to award.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid to any non-employee director with respect to any period commencing on the date of our annual meeting of stockholders for a particular year and ending on the day immediately prior to the date of the meeting for the next subsequent year, including stock awards granted and cash fees paid by us to such non-employee director, will not exceed $ in total value, or in the event such non-employee director is first appointed or elected to the board during such annual period, $ in total value (in each case, calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes).

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (i) the class and maximum number of shares reserved for issuance under the 2020 Plan, (ii) the class and maximum number of shares by which the share reserve may increase automatically each year, (iii) the class and maximum number of shares that may be issued on the exercise of incentive stock options, and (iv) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. The following applies to stock awards under the 2020 Plan in the event of a corporate transaction, unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the plan administrator at the time of grant.

In the event of a corporate transaction, any stock awards outstanding under the 2020 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full to a date prior to the effective time of the transaction (contingent upon the effectiveness of the transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the transaction). With respect to performance awards with multiple vesting levels depending on performance level, unless otherwise provided by an award agreement or by the administrator, the award will accelerate at 100% of target. If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then with respect to any such stock awards that are held by persons other than current participants, such awards will terminate if not exercised (if applicable) prior to the effective time of the transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the transaction. The plan administrator is not obligated to treat all stock awards or portions of stock awards in the same manner and is not obligated to take the same actions with respect to all participants.

In the event a stock award will terminate if not exercised prior to the effective time of a transaction, the plan administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the value of the property the participant would have received upon the exercise of the stock award over (ii) any exercise price payable by such holder in connection with such exercise.

Change in Control. In the event of a change in control, as defined under our 2020 Plan, awards granted under our 2020 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement.

Under our 2020 Plan, a corporate transaction is defined to include: (i) a sale of all or substantially all of our assets; (ii) the sale or disposition of more than 50% of our outstanding securities; (iii) the consummation of a merger or consolidation where we do not survive the transaction; and (iv) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding before such transaction are converted or exchanged into other property by virtue of the transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder. Under the 2020 Plan, a change in control is defined to include (1) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (2) a merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity); (3) the approval by the stockholders or the board of directors of a plan of complete dissolution or liquidation of the company, or the occurrence of a complete dissolution or liquidation of the company, except for a liquidation into a parent corporation; (4) a sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders; and (5) an unapproved change in the majority of the board of directors.

Transferability. A participant may not transfer stock awards under our 2020 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2020 Plan.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2020 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No incentive stock options may be granted after the tenth anniversary of the date our board of directors adopted our 2020 Plan. No stock awards may be granted under our 2020 Plan while it is suspended or after it is terminated.

2016 Equity Incentive Plan

Our 2016 Equity Incentive Plan (Prior Plan) was originally adopted by our board of directors and approved by our stockholders on April 1, 2016 and was amended on May 16, 2017, January 23, 2018, February 21, 2019, March 2, 2020, August 6, 2020 and September 22, 2020. Our Prior Plan allows for the grant of ISOs to employees, including employees of any parent or subsidiary, and for the grant of NSOs and restricted stock awards to employees, directors, officers, and consultants, including employees and consultants of our affiliates. Once our 2020 Plan becomes effective, no further grants will be made under our Prior Plan. Any outstanding awards granted under our Prior Plan will remain subject to the terms of our Prior Plan and applicable award agreements.

Authorized Shares. The maximum number of shares of our common stock that may be issued under our Prior Plan is 14,711,318 shares. Shares subject to stock awards granted under our Prior Plan that expire, are forfeited, or terminate without being exercised in full do not reduce the number of shares available for issuance under our Prior Plan. Additionally, shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award become available for future grant under our Prior Plan.

Plan Administration. Our board of directors or a duly authorized committee of our board of directors (referred to herein as the plan administrator) administers our Prior Plan and the stock awards granted under it. Under our Prior Plan, the plan administrator has the authority to: (i) determine the fair market value of our common stock; (ii) construe and interpret the Prior Plan and any agreement thereunder; (iii) prescribe, amend and rescind rules and regulations relating to the Prior Plan; (iv) approve persons to receive awards; (v) determine the number of shares or other consideration subject to awards; (vi) determine whether awards will be granted singly, in combination with other

awards under the Prior Plan or any other incentive or compensation plan of the company or otherwise; (vii) grant waivers of any conditions or the Prior Plan or any award; (viii) determine the form and terms of any awards granted under the Prior Plan and other related documents used under the Prior Plan, which terms and conditions include the exercise or purchase price, time of exercise (which may be based on performance criteria), circumstances under which vesting will be accelerated or forfeiture restrictions waived, or any other restriction or limitation regarding any award; (ix) correct any defect or reconcile any inconsistency in the Prior Plan, any award or any related documentation; (x) determine whether an award has been earned; (xi) determine whether and under what circumstances an award may be settled in cash; (xii) implement an option exchange program and establish the terms and conditions thereof; (xiii) make all other determinations necessary or advisable for the administration of the Prior Plan; and (xiv) extend the vesting period beyond a participant's termination date.

Under the Prior Plan, the plan administrator also generally has the authority to amend, modify, extend or terminate any outstanding stock awards, including, but not limited to, substituting the award, changing the date of exercise or settlement, and converting an incentive stock option to a nonstatutory stock option; the holder's consent is required unless the plan administrator determines that the action would not impair any of a participant's rights under their award or the action is otherwise permitted by the Prior Plan.

Stock Options. ISOs and NSOs are granted pursuant to award agreements adopted by the plan administrator. The plan administrator determines the exercise price for a stock option, within the terms and conditions of the Prior Plan, provided that the exercise price of a stock option generally cannot be less than 100% (or 110% in the case of ISOs granted to certain stockholders) of the fair market value of our common stock on the date of grant. Options granted under the Prior Plan vest at the rate specified by the plan administrator. Payment for the purchase of common stock issued upon the exercise of a stock option is made in cash (by check or wire transfer), however, the plan administrator may allow for alternative forms of consideration and may include (i) cancellation of indebtedness of the company owed to a participant, (ii) past services rendered to the company, (iii) surrendering shares of common stock already owned by a participant, provided such shares are surrendered to the company in good form for transfer, clear of all liens and encumbrances, (iv) delivery of a promissory note, (v) provided that a public market for the common stock exists, by the delivery of a direction to a securities broker approved by the company to sell shares and to deliver all or part of the sales proceeds to the company, (vi) by a cashless "net exercise" arrangement, (vii) other good and valuable consideration allowed under applicable law, or (viii) any combination of the above. The plan administrator determines the term of stock options granted under the Prior Plan, up to a maximum of 10 years (or five years in the case of ISOs granted to certain stockholders). The plan administrator shall determine the effect on a stock award of the disability, death, retirement, authorized leave of absence, or any other change or purported change in a holder's status. Unless the plan administrator provides otherwise, stock options generally are not transferable except by will, the laws of descent and distribution.

Corporate Transactions. Our Prior Plan provides that, in the event of certain significant corporate transactions (including, but not limited to, a merger, reorganization or sale of all or substantially all of our assets), the plan administrator may take any of the following actions that it deems appropriate in order to (i) prevent dilution or enlargement of the benefits or potential benefits intended by us to be made available under the Prior Plan or with respect to any stock award; (ii) to facilitate such transaction or event or (iii) give effect to such changes in applicable laws or accounting principles:

- provide for the assumption of or substitution of the stock award by the successor or surviving corporation, or a parent or subsidiary thereof,

- provide for the cancellation of any stock award in exchange for an amount of cash or other property with a value equal to what could have been obtained on exercise or settlement of the vested portion of such equity award;
- if any award is not assumed, converted, replaced or substituted, provide for acceleration of vesting of any stock award prior to its termination;
- make adjustments in the number and type of shares of common stock underlying stock awards and/or terms and conditions of stock awards; and/or
- provide that a stock award shall terminate and cannot vest, be exercised or become payable after the applicable event.

The plan administrator may treat holders and stock awards (or portions thereof) differently.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, appropriate adjustments will be made to (i) the number of shares reserved for issuance under the Prior Plan; (ii) the exercise prices of and number of shares subject to outstanding awards; and (iii) any repurchase price per share applicable to shares issued pursuant to any award under the Prior Plan.

Transferability. A participant may not transfer stock awards under our Prior Plan other than by will, the laws of descent and distribution, or as otherwise provided under our Prior Plan or an award granted thereunder.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our Prior Plan; provided that no amendment of the Prior Plan shall materially and adversely affect any outstanding stock award without the consent of the affected holder. Certain material amendments require the approval of our stockholders.

2020 Employee Stock Purchase Plan

Our board of directors adopted, and our stockholders approved, our 2020 Employee Stock Purchase Plan (ESPP) in , 2020. The ESPP will become effective on the execution of the underwriting agreement related to this offering. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code for U.S. employees.

Share Reserve. Following this offering, the ESPP authorizes the issuance of shares of our common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2021 (assuming the ESPP becomes effective in 2020) through January 1, 2030, by the lesser of (i) % of the total number of shares of our common stock outstanding on the last day of the calendar month before the date of the automatic increase; and (ii) shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii). As of the date hereof, no shares of our common stock have been purchased under the ESPP.

Administration. Our board of directors has delegated its authority to administer the ESPP to our compensation committee. The ESPP is implemented through a series of offerings under which eligible

employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. We currently intend to have 24-month offerings with multiple purchase periods (of approximately six months in duration) per offering, except that the first purchase period under our first offering may be shorter or longer than six months, depending on the date on which the underwriting agreement relating to this offering becomes effective. An offering under the ESPP may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to % of their earnings (as defined in the ESPP) for the purchase of our common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is at least the lesser of (i) 85% of the fair market value of a share of our common stock on the first date of an offering; or (ii) 85% of the fair market value of a share of our common stock on the date of purchase. For the initial offering, which we expect will commence on the execution and delivery of the underwriting agreement relating to this offering, the fair market value on the first day of the offering period will be the price at which shares of common stock are first sold to the public.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors, including: (i) being customarily employed for more than 20 hours per week; (ii) being customarily employed for more than five months per calendar year; or (iii) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee may purchase shares under the ESPP at a rate in excess of $25,000 worth of our common stock based on the fair market value per share of our common stock at the beginning of an offering for each year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, the board of directors will make appropriate adjustments to: (i) the number of shares reserved under the ESPP; (ii) the maximum number of shares by which the share reserve may increase automatically each year; (iii) the number of shares and purchase price of all outstanding purchase rights; and (iv) the number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. In the event of certain significant corporate transactions, including: (i) a sale of all or substantially all of our assets; (ii) the sale or disposition of 90% of our outstanding securities; (iii) the consummation of a merger or consolidation where we do not survive the transaction; and (iv) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within ten business days before such corporate transaction, and such purchase rights will terminate immediately.

ESPP Amendment or Termination. Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

401(k) Plan

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Code limits, which are updated annually. We have the ability to make matching and discretionary contributions to the 401(k) plan. Currently, we do not make matching contributions or discretionary contributions to the 401(k) plan. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

Director Compensation

In 2019, none of our directors received cash, equity or other non-equity compensation for service on our board of directors. Accordingly, the director compensation table required by SEC rules has been omitted.

We have reimbursed and will continue to reimburse all of our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

Peter Thompson, M.D., the Chairman of our board of directors, served as our Chief Executive Officer until April 2020. See the section titled "Executive Compensation" for more information regarding his compensation. Dr. Thompson was also a director as of December 31, 2019, but did not receive any additional compensation for his service as a director.

In May 2020, we granted options to purchase shares of our common stock to three of our non-employee directors at an exercise price of $0.34 per share, consisting of 129,125 shares to Robert Hershberg, M.D., Ph.D., 188,231 shares to Saqib Islam, J.D. and 193,274 shares to Vickie L. Capps. These options will vest in 36 equal monthly installments, subject to each director's continued service through each vesting date and the achievement of certain financing milestones.

Our board of directors adopted a non-employee director compensation policy in , 2020 that will become effective upon the execution and delivery of the underwriting agreement related to this offering and will be applicable to all of our non-employee directors. This compensation policy provides that each such non-employee director will receive the following compensation for service on our board of directors:

- an annual cash retainer of $;
- an additional annual cash retainer of $, $ and $ for service as a member of the audit committee, compensation committee and the nominating and corporate governance committee, respectively;
- an additional annual cash retainer of $, $ and $ for service as chair of the audit committee, compensation committee and the nominating and corporate governance committee, respectively;

- an initial option grant to purchase shares of our common stock on the date of each such non-employee director's appointment to our board of directors; and
- an annual option grant to purchase shares of our common stock on the date of each of our annual stockholder meetings.

Each of the option grants described above will be granted under our 2020 Plan, the terms of which are described in more detail below under the section titled "Executive Compensation—Employee Benefit Plans—2020 Equity Incentive Plan." Each such option grant will vest and become exercisable subject to the director's continuous service to us through the earlier of the first anniversary of the date of grant or the next annual stockholder meeting. The term of each option will be ten years, subject to earlier termination as provided in the 2020 Plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2017 and any currently proposed transactions, to which we were or are to be a participant, in which (i) the amount involved exceeded or will exceed the lesser of $120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years; and (ii) any of our directors, executive officers or holders of more than 5% of our capital stock, or any affiliate or member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described under the section of this prospectus titled "Executive and Director Compensation."

Financings

Series A Redeemable Convertible Preferred Stock Financing

In April 2016 and September 2018, we entered into a Series A preferred stock purchase agreement with various investors, pursuant to which, in four separate tranches, we issued and sold an aggregate of 15,714,283 shares of our Series A redeemable convertible preferred stock at a price per share of $3.50 for gross proceeds of $55.0 million.

The table below sets forth the number of shares of our Series A redeemable convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. Each share of Series A redeemable convertible preferred stock in the table below will convert into one share of our common stock upon the closing of this offering.

Name	Series A Redeemable Convertible Preferred Stock (#)	Aggregate Purchase Price ($)
Greater than 5% stockholders:		
OrbiMed Private Investments VI, LP(1)	12,857,142	44,999,997

(1) OrbiMed Capital GP VI LLC (OrbiMed GP), is the general partner of OrbiMed VI. OrbiMed Advisors LLC (OrbiMed Advisors) is the managing member of OrbiMed GP. Peter Thompson, M.D., the chairman of our board of directors, is a managing partner at OrbiMed Advisors.

Convertible Promissory Note Financing

In October 2019, we issued convertible promissory notes in the aggregate principal amount of $10.0 million with an annual interest rate of 3% per annum, pursuant to a note purchase agreement, with various investors, or the note financing.

The table below sets forth the principal amount of convertible promissory notes purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. In March 2020, $10.1 million of principal and accrued and unpaid interest were converted into approximately 4,673,388 shares of the Company's Series B redeemable convertible preferred stock.

Name	Principal Amount of Notes ($)
Greater than 5% stockholders:	
OrbiMed Private Investments VI, LP(1)	5,000,000

(1) OrbiMed Capital GP VI LLC (OrbiMed GP), is the general partner of OrbiMed VI. OrbiMed Advisors is the managing member of OrbiMed GP. Peter Thompson, M.D., the chairman of our board of directors, is a managing partner at OrbiMed Advisors.

Series B Redeemable Convertible Preferred Stock Financing

In March 2020, we entered into a Series B preferred stock purchase agreement with various investors, pursuant to which, in three separate tranches, we issued and sold an aggregate of 36,433,916 shares of our Series B redeemable convertible preferred stock. 4,673,388 shares were issued upon conversion of then outstanding convertible notes and accrued interest and 31,760,528 were sold at a price per share of $2.16 for gross proceeds of $68.4 million.

The table below sets forth the number of shares of our Series B redeemable convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. Each share of Series B redeemable convertible preferred stock in the table below will convert into one share of our common stock upon the closing of this offering.

Name	Series B Redeemable Convertible Preferred Stock (#)	Aggregate Purchase Price ($)
Greater than 5% stockholders:		
OrbiMed Private Investments VI, LP(1)	9,259,259	19,999,999
U.S. Venture Partners XII, L.P.(2)	6,944,444	14,999,999

(1) OrbiMed Capital GP VI LLC (OrbiMed GP), is the general partner of OrbiMed VI. OrbiMed Advisors is the managing member of OrbiMed GP. Peter Thompson, M.D., the chairman of our board of directors, is a managing partner at OrbiMed Advisors.

(2) Includes 6,609,027 shares of Series B redeemable convertible preferred stock purchased by U.S. Venture Partners XII, L.P. and 335,417 shares of Series B redeemable convertible preferred stock purchased by U.S. Venture Partners XII-A, L.P. Presidio Management Group XII, L.L.C. (PMG XII) is the general partner of U.S. Venture Partners XII, L.P. and U.S. Venture Partners XII-A, L.P. Jonathan Root, Ph.D., a member of our board of directors, is a managing member of PMG XII.

Series C Redeemable Convertible Preferred Stock Financing

In September 2020, we entered into a Series C redeemable convertible preferred stock purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 24,926,685 shares of our Series C redeemable convertible preferred stock at a price per share of $3.41 for gross proceeds of $84.9 million.

The table below sets forth the number of shares of our Series C redeemable convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. Each share of Series C redeemable convertible preferred stock in the table below will convert into one share of our common stock upon the closing of this offering.

Name	Series C Redeemable Convertible Preferred Stock (#)	Aggregate Purchase Price ($)
Greater than 5% stockholders:		
OrbiMed Private Investments VI, LP(1)	3,918,279	13,361,331
U.S. Venture Partners XII, L.P.(2)	1,128,289	3,847,465

(1) OrbiMed Capital GP VI LLC (OrbiMed GP), is the general partner of OrbiMed VI. OrbiMed Advisors is the managing member of OrbiMed GP. Peter Thompson, M.D., the chairman of our board of directors, is a managing partner at OrbiMed Advisors.

(2) Includes 1,073,793 shares of Series C preferred stock purchased by U.S. Venture Partners XII, L.P. and 54,496 shares of Series C preferred stock purchased by U.S. Venture Partners XII-A, L.P. Presidio Management Group XII, L.L.C. (PMG XII) is the general partner of U.S. Venture Partners XII, L.P. and U.S. Venture Partners XII-A, L.P. Jonathan Root, Ph.D., a member of our board of directors, is a managing member of PMG XII.

Investors' Rights, Management Rights, Voting and Co-Sale Agreements

In connection with our redeemable convertible preferred stock financings, we entered into investors' rights, voting and right of first refusal and co-sale agreements containing registration rights, information rights, rights of first offer, voting rights and rights of first refusal, among other things, with certain holders of our capital stock. The holders of more than 5% of our capital stock listed above are parties to these agreements. Our executive officers and directors who are parties to these agreements or who are related to parties to these agreements are Peter Thompson, M.D., Jonathan Root, M.D., Thilo Schroeder, Ph.D. and Scott Platshon.

These stockholder agreements will terminate upon the closing of this offering, except for the registration rights granted under our investors' rights agreement, which will terminate upon the earliest of (i) the closing of a deemed liquidation event, as defined in our amended and restated certificate of incorporation, as currently in effect; (ii) with respect to each stockholder, the date when such stockholder can sell all of its registrable shares without limitation during a three-month period without registration pursuant to Rule 144 of the Securities Act (Rule 144), or another similar exemption under the Securities Act; and (iii) five years after the completion of this offering. For a description of the registration rights, see the section of this prospectus titled "Description of Capital Stock—Registration Rights."

Consulting Arrangements

In September 2018, we entered into a consulting agreement with Peter Thompson, M.D. the Chairman of our board of directors. Pursuant to the consulting agreement, Dr. Thompson provided business strategy and research and development consulting and served as our President and Chief Executive Officer and did not receive any consideration in connection therewith. Dr. Thompson's consulting agreement was terminated in April 2020. Dr. Thompson does not receive any salary, commission or other fees for serving as the Chairman of our board of directors.

Indemnification Agreements

We have entered into indemnification agreements with certain of our current directors and executive officers, and intend to enter into new indemnification agreements with each of our current directors and executive officers before the completion of this offering. Our amended and restated certificate of incorporation and our amended and restated bylaws will provide that we will indemnify our directors and officers to the fullest extent permitted by applicable law. See the section of this prospectus titled “Management—Limitation on Liability and Indemnification Matters.”

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus, excluding the additional shares that the underwriters have a 30-day option to purchase, for sale to certain of our directors and officers and certain other parties related to us.

Policies and Procedures for Related Party Transactions

We intend to adopt a written related-person transactions policy prior to the completion of this offering that sets forth our policies and procedures regarding the identification, review, consideration and oversight of “related-person transactions.” 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 participants involving an amount that exceeds $120,000. Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director, nominee to become a director or a holder of more than five percent of our common stock, including any of their immediate family members and affiliates, including entities owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, all of the parties thereto, the direct and indirect interests of the related persons, the purpose of the transaction, the material facts, the benefits of the transaction to us and whether any alternative transactions are available, an assessment of whether the terms are comparable to the terms available from unrelated third parties and management’s recommendation. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit committee or another independent body of our board of directors takes 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 the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- 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.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval.

PRINCIPAL STOCKHOLDERS

The following table sets forth, as of September 30, 2020, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

The percentage ownership information under the column titled “Before Offering” is based on shares of common stock outstanding as of September 30, 2020 (which includes shares outstanding that are subject to forfeiture or our right to repurchase as of such date) assuming the conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of shares of common stock in connection with the closing of this offering. The percentage ownership information under the column titled “After Offering” is based on the sale of shares of common stock in this offering. The percentage ownership information assumes no purchases of any shares of common stock in this offering by the beneficial owners identified in the table below. The percentage ownership information does not reflect any potential purchases pursuant to the directed share program or otherwise of any shares of common stock in this offering by the beneficial owners identified in the table below.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security. In addition, the rules include shares of common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of September 30, 2020. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The information contained in the following table does not necessarily indicate beneficial ownership for any other purpose. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Unless otherwise noted below, the address for each beneficial owner listed in the table below is c/o Silverback Therapeutics, Inc., 500 Fairview Ave N, Suite 600, Seattle, Washington 98109.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
Greater than 5% Stockholders:			
OrbiMed Private Investments VI, LP(1)	28,034,680	%	%
U.S. Venture Partners XII, L.P.(2)	8,072,733	%	%
Hunt Pacific, L.P.(3)	5,381,823	%	%
Nextech VI Oncology SCSp(4)	6,207,889	%	%
Pontifax and its affiliated entities(5)	4,655,916	%	%
EcoR1 Capital Fund Qualified, L.P.(6)	4,398,827		
Named Executive Officers and Directors:			
Peter Thompson, M.D.(7)	28,034,680	%	%
Laura Shawver, Ph.D.(8)	2,899,124	%	%
Valerie Odegard, Ph.D.(9)	281,336	%	%
Naomi Hunder, M.D.(10)	78,980	%	%
Vickie L. Capps(11)	193,274	%	%
Robert Hershberg, M.D., Ph.D.(12)	261,740	%	%
Saqib Islam, J.D.(13)	244,814	%	%
Scott Platshon(14)	4,398,827	%	%
Jonathan Root, M.D.(15)	8,072,733	%	%
Thilo Schroeder, Ph.D.(16)	6,207,889	%	%
All current executive officers and directors as a group (11 persons)(17)	3,962,094	%	%

* Represents beneficial ownership of less than 1%.

(1) 1,000,000 shares of common stock held by OPI VI - HoldCo LLC, 1,000,000 shares of common stock held by OrbiMed Private Investments VI, LP (OrbiMed VI) and 26,034,680 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by OrbiMed VI.

(2) Consists of 7,682,820 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by U.S. Venture Partners XII, L.P. and 389,913 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by U.S. Venture Partners XII-A, L.P. Presidio Management Group XII, L.L.C. (PMG XII), the general partner of U.S. Venture Partners XII, L.P. and U.S. Venture Partners XII-A, L.P. (together, USVP XII), has sole voting and dispositive power with respect to the shares held by USVP XII. Jonathan Root, a member of our board of directors, is a managing member of PMG XII, and shares voting and dispositive power with respect to the shares held by USVP XII. The address for each of these entities is 1460 El Camino Real, Suite 100, Menlo Park, California 94025.

(3) Consists of 5,381,823 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by Hunt Pacific, L.P. The address for Hunt Pacific, L.P. is 4401 North Mesa, El Paso, Texas 79902.

(4) Consists of 6,207,889 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by Nextech VI Oncology SCSp (Nextech VI). Nextech VI GP S.A R.L (Nextech GP), is the general partner of Nextech VI. Nextech Invest AG is the investment advisor of Nextech VI. Thilo Schroeder, Ph.D., a member of our board of directors, is a managing partner at Nextech Invest AG and may therefore be deemed to be the beneficial owner of the common shares held by Nextech VI Oncology SCSp. The address of each of these entities is 8 Rue Lou Hemmer, 1748 Findel, Luxembourg.

(5) Consists of (i) 2,530,959 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by Pontifax (Israel) V, L.P.; (ii) 983,330 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by Pontifax (China) V, L.P.; (iii) 676,034 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by Pontifax (Cayman) V, L.P. (together, the Pontifax Entities); and (iv) 465,593 shares of common stock owned by Pontifax Late Stage Fund L.P. (Late Stage L.P.). Pontifax 5 G.P. L.P. (Pontifax 5 G.P.) is the general partner of each of the Pontifax Entities and Pontifax Management 4 G.P. (2015) Ltd. (Pontifax Management) is the general partner of Pontifax 5 G.P. Tomer Kariv and Ran Nussbaum, are the Managing Partners of Pontifax Management and, as a result, may be deemed to share voting and investment power with respect to the shares held by each of the Pontifax Entities. Late Stage L.P. invests side by side with Pontifax 5 GP pursuant to a Strategic Alliance Agreement with Pontifax 5 GP. Pontifax Late Stage GP Ltd. is the general partner of Late Stage L.P. The address of each of the Pontifax Entities and Late Stage L.P. is c/o The Pontifax Group, 14 Shenkar Street, Herzelia,

Israel. and investment power with respect to the shares held by each of the Pontifax Entities. Late Stage L.P. invests side by side with Pontifax 5 GP pursuant to a Strategic Alliance Agreement with Pontifax 5 GP. Pontifax Late Stage GP Ltd. is the general partner of Late Stage L.P. The address of each of the Pontifax Entities and Late Stage L.P. is c/o The Pontifax Group, 14 Shenkar Street, Herzelia, Israel.

(6) Consists of 493,619 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by EcoR1 Capital Fund, L.P., 2,470,707 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by EcoR1 Capital Fund Qualified, L.P. and 1,434,501 shares of common stock issuable upon conversion of redeemable convertible preferred stock held by EcoR1 Venture Opportunity Fund, L.P. (collectively, EcoR1). EcoR1 Capital, LLC is the general partner of EcoR1, Scott Platshon, a member of our board of directors, is an affiliate of EcoR1 Capital, LLC and EcoR1. The address for EcoR1 is 357 Tehama Street, Suite 3, San Francisco, California 94103.

(7) Consists of the shares listed in footnote (1) above, which are held by OrbiMed. Dr. Thompson shares voting and dispositive power with respect to the shares held by OrbiMed.

(8) Consists of (a) 294,118 shares of common stock held by Dr. Shawver, 225,138 shares of which will be subject to a right of repurchase by us as of November 29, 2020, and (b) 2,605,006 shares of common stock that Dr. Shawver has the right to acquire from us within 60 days of September 30, 2020 pursuant to the exercise of stock options, 2,605,006 of which will be unvested but exercisable as of November 29, 2020.

(9) Consists of 281,336 shares of common stock that Dr. Odegard has the right to acquire from us within 60 days of September 30, 2020 pursuant to the exercise of stock options.

(10) Consists of 78,980 shares of common stock that Dr. Hunder has the right to acquire from us within 60 days of September 30, 2020 pursuant to the exercise of stock options.

(11) Consists of 193,274 shares of common stock held by Ms. Capps, 167,274 shares of which were subject to a right of repurchase by us as of November 29, 2020.

(12) Consists of 261,740 shares of common stock that Dr. Hershberg has the right to acquire from us within 60 days of September 30, 2020 pursuant to the exercise of stock options, 111,951 of which will be unvested but exercisable as of November 29, 2020.

(13) Consists of (a) 56,583 shares of common stock held by Mr. Islam, 9,431 shares of which will be subject to a right of repurchase by us as of November 29, 2020, and (b) 188,231 shares of common stock that Mr. Islam has the right to acquire from us within 60 days of September 30, 2020 pursuant to the exercise of stock options, 159,478 of which will be unvested but exercisable as of November 29, 2020.

(14) Consists of the shares listed in footnote (6) above, which are held by EcoR1.

(15) Consists of the shares listed in footnote (2) above, which are held by U.S. Venture Partners. Dr. Root is a managing member at U.S. Venture Partners and shares voting and dispositive power with respect to the shares held by U.S. Venture Partners.

(16) Consists of the shares listed in footnote (4) above, which are held by Nextech VI. Dr. Schroeder shares voting and dispositive power with respect to the shares held by Nextech VI.

(17) Consists of the shares described in note (8) through note (16) above and shares held or issuable upon exercise of stock options by Mr. Hawkinson who is not named in the table above.

DESCRIPTION OF CAPITAL STOCK

Upon filing and effectiveness of our amended and restated certificate of incorporation and the closing of this offering, our authorized capital stock will consist of shares of common stock, par value $0.0001 per share, and shares of preferred stock, par value $0.0001 per share. All of our authorized preferred stock upon the closing of this offering will be undesignated. The following is a summary of the rights of our common and preferred stockholders and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to and upon the closing of this offering, respectively, and of the Delaware General Corporation Law. This summary is not complete. For more detailed information, please see our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of the Delaware General Corporation Law.

Common Stock

Outstanding Shares

As of September 30, 2020, we had shares of common stock outstanding (which includes shares outstanding that are subject to forfeiture or our right to repurchase as of such date), held of record by stockholders. This amount excludes our outstanding shares of redeemable convertible preferred stock, which will convert into shares of our common stock in connection with the closing of this offering. Based on the number of shares of common stock outstanding as of September 30, 2020, and assuming (i) the conversion of all of our outstanding shares of redeemable convertible preferred stock and (ii) the issuance by us of shares of our common stock in this offering, there will be shares of common stock outstanding upon the closing of this offering.

As of September 30, 2020, there were shares of common stock subject to outstanding options under the Prior Plan.

Voting Rights

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders. The affirmative vote of holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock, voting as a single class, will be required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to amending our amended and restated bylaws, the classified structure of our board of directors, the size of our board of directors, removal of directors, director liability, vacancies on our board of directors, special meetings, stockholder notices, actions by written consent and exclusive jurisdiction.

Dividends

Subject to preferences that may apply to any outstanding preferred stock, holders of our common stock are entitled to receive ratably any dividends that our board of directors may declare out of funds legally available for that purpose on a non-cumulative basis.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Preferred Stock

Upon the closing of this offering, all of our currently outstanding shares of redeemable convertible preferred stock will convert into common stock and we will not have any preferred stock outstanding. Immediately after the completion of this offering, our certificate of incorporation will be amended and restated to delete all references to such shares of redeemable convertible preferred stock. Under the amended and restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

Warrants

In November 2016, in connection with the entry into the loan and security agreement with Silicon Valley Bank (the Loan Agreement), we issued to the lender the warrant to purchase an aggregate of 28,226 shares of our common stock with an exercise price equal to $0.62 per share. In December 2017, in connection with an amendment of the Loan Agreement, we issued to Silicon Valley Bank a warrant to purchase an aggregate of 5,769 shares of common stock with an exercise price equal to $0.65 per share. These warrants expire ten years from the date of issuance.

Registration Rights

After the closing of this offering, certain holders of shares of our common stock, including all of the current preferred stockholders, including certain holders of more than five percent of our capital stock and entities affiliated with certain of our directors, will be entitled to certain rights with respect to registration of the shares of common stock issued upon conversion of our redeemable convertible preferred stock under the Securities Act. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of our amended

and restated investors' rights agreement and are described in additional detail below. The registration of shares of our common stock pursuant to the exercise of the registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts, selling commissions, stock transfer taxes and certain fees and disbursements of counsel for the selling holders, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions and limitations, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will expire upon the earliest to occur of (i) the closing of our first registered public offering of our common stock, with respect to any holder who then holds an amount of shares equal to less than one percent of our outstanding securities and may sell all such shares under Rule 144 during any three-month period; (ii) the fourth anniversary after the closing this offering; or (iii) with respect to any particular holder, at such time that such holder can sell its shares under Rule 144 of the Securities Act or another similar exemption during any three-month period.

Demand Registration Rights

The holders of registrable securities will be entitled to certain demand registration rights. Beginning 180 days following the effectiveness of the registration statement of which this prospectus is a part, certain investors holding, collectively, at least 30% of registrable securities then outstanding may, on not more than two occasions, request that we register all or a portion of their shares, subject to certain specified exceptions. If any of these holders exercises its demand registration rights, then holders of all registrable securities will be entitled to register their shares, subject to specified conditions and limitations, in the corresponding offering.

Piggyback Registration Rights

In connection with this offering, the holders of registrable securities are entitled to their rights to notice of this offering and to include their shares of registrable securities in this offering. The requisite percentage of these stockholders have waived all such stockholders' rights to notice of this offering and to include their shares of registrable securities in this offering. In the event that we propose to register any of our securities under the Securities Act in another offering, either for our own account or for the account of other security holders, the holders of registrable securities will be entitled to certain "piggyback" registration rights allowing them to include their shares in such registration, subject to specified conditions and limitations.

S-3 Registration Rights

Upon the closing of this offering, the holders of registrable securities will initially be entitled to certain Form S-3 registration rights. Certain investors may, on not more than two registrations on Form S-3 within any 12-month period, request that we register all or a portion of their shares on Form S-3 if we are qualified to file a registration statement on Form S-3, subject to specified exceptions. Such request for registration on Form S-3 must cover securities with an aggregate offering price which equals at least $2.0 million, net of selling expenses. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

Anti-Takeover Provisions of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that 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 began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines a "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Among other things, our amended and restated certificate of incorporation and amended and restated bylaws will:

- permit our board of directors to issue up to shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in control;

- provide that the authorized number of directors may be changed only by resolution of our board of directors;
- provide that our board of directors will be classified into three classes of directors;
- provide that, subject to the rights of any series of preferred stock to elect directors, directors may only be removed for cause, which removal may be effected, subject to any limitation imposed by law, by the holders of at least 66 2/3% of the voting power of all of our then-outstanding shares of the capital stock entitled to vote generally at an election of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder's notice;
- provide that special meetings of our stockholders may be called only by the chairman of our board of directors, our chief executive officer or president or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, and not by our stockholders; and
- not provide for cumulative voting rights, therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose.

The amendment of any of these provisions would require approval by the holders of at least 66⅔% of the voting power of all of our then-outstanding common stock entitled to vote generally in the election of directors, voting together as a single class.

The combination of these provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure our company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

Choice of Forum

Our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine. This provision will not apply to suits brought to enforce a duty or liability created by the Securities Act, Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

In addition, our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to these provisions. Although we believe these provisions benefit us by providing increased consistency in the application of law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Please also see the section titled “Risk Factors—Our amended and restated certificate of incorporation, which will become effective upon the closing of this offering designates the state courts the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the feral court for the District of Delaware, and the federal district courts of the United States of America will be the exclusive forums for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against our company and our directors, officers and employees.”

Limitation on Liability and Indemnification

See the section of this prospectus titled “Management—Limitation on Liability and Indemnification Matters.”

Listing

We have applied to list our common stock on the Nasdaq Global Market under the trading symbol “SBTX.”

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for our common stock will be . The transfer agent's address is .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and a liquid trading market for our common stock may not develop or be sustained after this offering. Future sales of our common stock, including shares issued upon the exercise of outstanding options, in the public market after the completion of this offering, or the perception that those sales may occur, could adversely affect the prevailing market price for our common stock from time to time or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after the completion of this offering due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of Restricted Shares

Based on the number of shares of our common stock outstanding as of September 30, 2020, upon the closing of this offering and assuming (i) the conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of shares of our common stock in connection with the closing of this offering; (ii) no exercise of the underwriters' option to purchase additional shares of common stock; and (iii) no exercise of outstanding options or warrants, we will have outstanding an aggregate of approximately shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 or subject to lock-up agreements. All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities," as such term is defined in Rule 144. These restricted securities were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, based on the number of shares of our common stock outstanding (calculated as of September 30, 2020 on the basis of the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares, if any, and no exercise of outstanding options), the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

Approximate Number of Shares	First Date Available For Sale Into Public Market
shares	181 days after the date of this prospectus, upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume, manner of sale and other limitations under Rule 144 and Rule 701.

We may issue shares of common stock from time to time as consideration for future acquisitions, investments or other corporate purposes. In the event that any such acquisition, investment or other transaction is significant, the number of shares of common stock that we may issue may in turn be significant. We may also grant registration rights covering those shares of common stock issued in connection with any such acquisition and investment.

In addition, the shares of common stock reserved for future issuance under our 2020 Plan will become eligible for sale in the public market to the extent permitted by the provisions of various vesting

schedules, the lock-up agreements, a registration statement under the Securities Act or an exemption from registration, including Rule 144 and Rule 701.

Rule 144

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any affiliate of the company who owns shares of our common stock, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144.

Under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, and we are current in our Exchange Act reporting at the time of sale, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the 90 days preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to below, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least 12 months, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable).

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months, are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares of common stock immediately upon the closing of this offering (calculated as of September 30, 2020 on the basis of the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares, if any, and no exercise of outstanding options); or
- the average weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 before the effective date of

the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) and who are not our "affiliates" as defined in Rule 144 during the immediately preceding 90 days, is entitled to rely on Rule 701 to resell such shares beginning 90 days after the date of this prospectus in reliance on Rule 144, but without complying with the notice, manner of sale, public information requirements or volume limitation provisions of Rule 144. Persons who are our "affiliates" may resell those shares beginning 90 days after the date of this prospectus without compliance with minimum holding period requirements under Rule 144 (subject to the terms of the lock-up agreement referred to below, if applicable).

Lock-Up Agreements

In connection with this offering, we, our directors, our executive officers and holders of substantially all of our other outstanding shares of common stock or securities convertible into or exchangeable for shares of our common stock outstanding upon the closing of this offering, have agreed, subject to certain limited exceptions, with the underwriters not to directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or hedge any shares of our common stock or any options to purchase shares of our common stock, or any securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through and including the date 180 days after the date of this prospectus, except with the prior written consent of the representatives of the underwriters, and certain other limited exceptions. These agreements are described in the section of this prospectus titled "Underwriting."

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain security holders, including the amended and restated investors' rights agreement, our standard form of option agreement, our standard form of restricted stock agreement and our standard form of restricted stock purchase agreement, that contain market stand-off provisions or incorporate market stand-off provisions from our equity incentive plan imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Registration Rights

Upon the closing of this offering and assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), the holders of an aggregate of shares of our common stock will have rights, subject to certain 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. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. See the section of this prospectus titled "Description of Capital Stock—Registration Rights" for additional information regarding these registration rights.

Equity Incentive Plans

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock reserved for issuance under outstanding options under the Prior Plan and reserved for issuance under the 2020 Plan and the ESPP. The registration statement is expected to be filed and become effective as soon as practicable after the completion of this offering. Accordingly, shares registered under the registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended (Code), and applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service (IRS), all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations;"
- "passive foreign investment companies;"
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds
- persons subject to the alternative minimum tax;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock at any time;
- accrual-method taxpayers subject to special tax accounting rules under Section 451(b) of the Code; and
- persons holding our common stock as part of a hedging or conversion transaction, straddle, synthetic security, constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner, the activities of the partnership and certain determinations made at the

partner level. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a "U.S. person" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

We have never declared or paid any cash dividends on our capital stock and we do not intend to pay cash dividends on our common stock for the foreseeable future. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled "Gain on Disposition of Our Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding and Sections 1471 through 1474 of the Code (commonly referred to as FATCA), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) and satisfy applicable certification and other requirements. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation (USRPHC) for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not "regularly traded" on an established securities market (as defined by applicable Treasury Regulations).

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC. If we are or become a USRPHC and the "regularly traded" exception noted above does not apply to the disposition, a non-U.S. holder will generally be taxed on any gain in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable

income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (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. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN or IRS Form W-8BEN-E, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities certain information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally imposes a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock. The U.S. Treasury released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our common stock. In its preamble to such proposed Treasury Regulations, the U.S. Treasury stated that taxpayers may generally rely on the proposed regulations until final regulations are issued.

Prospective investors are encouraged to consult with their own tax advisors regarding the potential implications of FATCA on their investment in our common stock.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, SVB Leerink LLC and Stifel, Nicolaus & Company, Incorporated are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
SVB Leerink LLC	
Stifel, Nicolaus & Company, Incorporated	
H.C. Wainwright & Co., LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus, excluding the additional shares that the underwriters have a 30-day option to purchase, for sale to certain of our directors and officers and certain other parties

related to us. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. If purchased by any of our officers or directors, these shares will be subject to the terms of lock-up agreements described above. Other than the underwriting discount described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to shares of our common stock sold pursuant to the directed share program.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and our earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our common stock on the Nasdaq Global Market under the symbol “SBTX”.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on NYSE, NASDAQ NMS or relevant exchange, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $. We will reimburse the underwriters for certain of their expenses incurred in connection with this offering in an amount up to $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

European Economic Area and United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a Relevant State), no common shares (the Shares) have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- To any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- To fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- In any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Shares shall require the company or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient

information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

This European Economic Area and UK selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed at qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”); or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder; or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each

case 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 in 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" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is 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, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA); (ii) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA; (iii) where no consideration is or will be given for the transfer; (iv) where the transfer is by operation of law; (v) as specified in Section 276(7) of the SFA; or (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA); (ii) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets); (iii) where no consideration is or will be given for the transfer; (iv) where the transfer is by operation of law; (v) as specified in Section 276(7) of the SFA; or (vi) as specified in Regulation 32.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the common shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) 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).

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the FIEA). The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Cooley LLP, San Diego, California. Certain legal matters in connection with this 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 financial statements as of December 31, 2018 and December 31, 2019 and for each of the two years in the period ended December 31, 2019, as set forth in their report. We have 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.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, 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 may read our SEC filings, including this registration statement, over the Internet at the SEC's website at www.sec.gov. Upon the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for review on the web site of the SEC referred to above. We also maintain a website at www.silverbacktx.com, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus or the registration statement of which it forms a part, and the inclusion of our website address in this prospectus is an inactive textual reference only.

Silverback Therapeutics, Inc.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Silverback Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Silverback Therapeutics, Inc. (the Company), as of December 31, 2018 and 2019, the related statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' deficit and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

Seattle, Washington

October 2, 2020

Silverback Therapeutics, Inc.
Balance Sheets
(in thousands, except share and par value data)

	December 31, 2018	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 20,160	$ 9,976
Prepaid expenses and other current assets	618	552
Total current assets	20,778	10,528
Property and equipment, net	1,764	1,316
Restricted cash	750	550
Right-of-use asset	4,255	3,253
Total assets	$ 27,547	$ 15,647
Liabilities, redeemable convertible preferred stock, and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 775	$ 3,518
Accrued expenses	841	2,112
Term loan payable, net	2,847	1,522
Convertible notes, net	—	9,991
Current portion of lease liability	681	783
Total current liabilities	5,144	17,926
Lease liability, net of current portion	4,206	3,324
Total liabilities	9,350	21,250
Commitments and contingencies (Note 13)		
Redeemable convertible preferred stock, $0.0001 par value per share; 17,142,854 shares authorized, 15,714,283 shares issued and outstanding with aggregate liquidation preference of $55,000 at December 31, 2018 and 2019	53,174	53,174
Stockholders' deficit:		
Common stock, $0.0001 par value per share; 22,000,000 and 23,500,000 shares authorized, 2,475,365 and 2,489,504 shares issued, and 2,438,808 and 2,467,083 shares outstanding at December 31, 2018 and 2019, respectively	—	—
Additional paid-in capital	4,843	5,010
Accumulated deficit	(39,820)	(63,787)
Total stockholders' (deficit) equity	(34,977)	(58,777)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	$ 27,547	$ 15,647

See accompanying notes.

Silverback Therapeutics, Inc.
Statements of Operations Data and Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,	
	2018	2019
Operating expenses:		
Research and development	$ 14,804	$ 21,505
General and administrative	3,516	2,562
Total operating expenses	18,320	24,067
Loss from operations	(18,320)	(24,067)
Change in fair value of redeemable convertible preferred stock purchase option liability	698	—
Interest income, net	43	100
Net loss and comprehensive loss	$ (17,579)	$ (23,967)
Net loss per share attributable to common stockholders, basic and diluted	$ (7.84)	$ (9.77)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	2,241,942	2,453,937
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		$
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		

See accompanying notes.

Silverback Therapeutics, Inc.
Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2017	10,000,000	$ 33,905	2,000,000	$ —	$ 4,266	$ (22,241)	$ (17,975)
Issuance of Series A redeemable convertible preferred stock for cash, net of $33 of issuance costs and redeemable convertible preferred stock purchase option liability of $1,662	5,714,283	18,305	—	—	—	—	—
Reclassification of redeemable convertible preferred stock purchase option liability to redeemable convertible preferred stock upon settlement		964					
Exercise of common stock options and vesting of early exercised common stock options	—	—	438,808	—	284	—	284
Stock-based compensation	—	—	—	—	293	—	293
Net loss and comprehensive loss	—	—	—	—	—	(17,579)	(17,579)
Balance as of December 31, 2018	15,714,283	$ 53,174	2,438,808	$ —	$ 4,843	$ (39,820)	$ (34,977)
Exercise of common stock options and vesting of early exercised common stock options	—	—	28,275	—	19	—	19
Stock-based compensation	—	—	—	—	148	—	148
Net loss and comprehensive loss	—	—	—	—	—	(23,967)	(23,967)
Balance as of December 31, 2019	15,714,283	$ 53,174	2,467,083	$ —	$ 5,010	$ (63,787)	$ (58,777)

See accompanying notes.

SILVERBACK THERAPEUTICS, INC.
Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2018	2019
Cash flows from operating activities:		
Net loss	$(17,579)	$(23,967)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	480	544
Amortization of debt issuance costs	122	75
Stock-based compensation	293	148
Non-cash lease expense	940	1,002
Change in fair value of redeemable convertible preferred stock purchase option liability	(698)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(261)	66
Accounts payable and accrued liabilities	513	4,014
Lease liability	(685)	(780)
Net cash used in operating activities	(16,875)	(18,898)
Cash flows from investing activities:		
Purchases of property and equipment	(449)	(96)
Net cash used in investing activities	(449)	(96)
Cash flows from financing activities:		
Proceeds from issuance of redeemable convertible preferred stock, net of $33 of issuance costs	19,967	—
Proceeds from issuance of convertible notes	—	10,000
Payment of convertible notes issuance costs	—	(9)
Principal payments on term loan payable	(852)	(1,400)
Proceeds from exercise of common stock options	284	19
Net cash provided by financing activities	19,399	8,610
Change in cash, cash equivalents, and restricted cash	2,075	(10,384)
Cash, cash equivalents, and restricted cash at beginning of period	18,835	20,910
Cash, cash equivalents, and restricted cash at end of period	$ 20,910	$ 10,526
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 58	$ 36

See accompanying notes.

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

1. Nature of Business

Silverback Therapeutics, Inc. ("Silverback" or "the Company") is a clinical-stage biopharmaceutical company focused on leveraging our proprietary ImmunoTAC technology platform to develop systemically delivered and tissue targeted therapeutics for the treatment of cancer, chronic viral infections, and other serious diseases. The Company's platform enables us to strategically pair proprietary linker-payloads that modulate key disease-modifying pathways with monoclonal antibodies directed at specific disease sites. The Company was formed in Seattle, Washington and incorporated in the state of Delaware on January 4, 2016.

Risks and Uncertainties

The Company is subject to a number of inherent risks which include, but are not limited to, the need to obtain adequate additional funding, possible failure of clinical trials or other events demonstrating a lack of clinical safety or efficacy of its product candidates, dependence on key personnel, reliance on third-party service providers for manufacturing drug product and conducting clinical trials, the ability to successfully secure its proprietary technology, and risks related to the regulatory approval and commercialization of a product candidate. Additionally, the development and commercialization of new drug products is highly competitive. Products or technologies developed by competitors may diminish or render obsolete the Company's existing products under development.

Liquidity and Capital Resources

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred net operating losses since its inception and had an accumulated deficit of $63.8 million as of December 31, 2019. The Company had cash and cash equivalents of $10.0 million as of December 31, 2019 and has not generated positive cash flows from operations. To date, the Company has been able to fund its operations primarily through the issuance of redeemable convertible preferred stock and convertible notes. During 2020, the Company has received an aggregate of $68.4 million in gross proceeds from the issuance of shares of its Series B redeemable convertible preferred stock and an aggregate of $84.9 million in gross proceeds from the issuance of shares of its Series C redeemable convertible preferred stock. The Company's currently available cash and cash equivalents as of December 31, 2019, together with the proceeds received from its redeemable convertible preferred stock financings in 2020, are sufficient to meet its anticipated cash requirements for the 12 months following the date the financial statements are issued. Management considers that there are no conditions or events, in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a period of at least 12 months from the date the financial statements are issued.

Management expects operating losses to continue for the foreseeable future. There can be no assurance that the Company will ever earn revenues or achieve profitability, or if achieved, that they will be sustained on a continuing basis. In addition, the manufacturing, clinical and preclinical development activities as well as the commercialization of the Company's products, if approved, will require significant additional financing. The Company may be unable to secure such financing when needed, or if available, such financings may be under terms that are unfavorable to the Company or the current stockholders. If the Company is unable to raise additional funds when needed, it may be required to delay, reduce the scope of, or eliminate development programs, which may adversely affect its business and operations.

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC"), and Accounting Standards Update ("ASU"), of the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of the Company's financial statements requires it to make estimates and assumptions that impact the reported amounts of assets, liabilities and expenses in the Company's financial statements and accompanying notes. The most significant estimates in the Company's financial statements relate to accruals for research and development expenses, valuation of equity awards, valuation of preferred stock purchase options, and valuation allowances for deferred tax assets. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates.

The full extent to which the coronavirus (COVID-19) pandemic will directly or indirectly impact the Company's business, results of operations and financial condition, including expenses, clinical trials and research and development costs, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19 and the actions taken to contain or treat COVID-19, as well as the economic impact on local, regional, national and international markets. The Company has considered potential impacts arising from the COVID-19 pandemic and is not presently aware of any events or circumstances that would require the Company to update its estimates, judgments or revise the carrying value of its assets or liabilities.

Segments

The Company has determined that it operates and manages one operating segment, which is the business of developing and commercializing tissue targeted therapeutics. The Company's chief operating decision maker, its chief executive officer, reviews financial information on an aggregate basis for the purpose of allocating resources.

Fair Value of Financial Instruments

Cash and cash equivalents, restricted cash, and the liability for the Series A redeemable convertible preferred stock purchase option are carried at fair value. Financial instruments, including accounts receivable, accounts payable, and accrued expenses are carried at cost, which approximates fair value given their short-term nature. Term loan payable is carried at cost, which approximates fair value as its effective interest rate approximates current market rates. Convertible notes are carried at cost, which approximates fair value as their effective interest rate approximates current market rates and, in consideration of the value of the underlying shares into which they can convert, their short-term nature.

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

Cash and Cash Equivalents

Cash equivalents are comprised of short-term, highly-liquid investments with maturities of 90 days or less at the date of purchase. As of December 31, 2018 and 2019, the Company's cash equivalents consisted of money market funds.

Restricted Cash

Restricted cash consists of a deposit securing a collateral letter of credit issued in connection with the Company's facility operating lease. The Company had restricted cash of $0.8 million and $0.6 million as of December 31, 2018 and 2019, respectively.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the balance sheets that sum to the amounts shown in the statements of cash flows (in thousands):

	December 31,	
	2018	2019
Cash and cash equivalents	$20,160	$ 9,976
Restricted cash	750	550
Total cash and cash equivalents and restricted cash	$20,910	$10,526

Concentrations of Credit Risk

The Company is subject to credit risk from holding its cash and cash equivalents at one commercial bank. The Company limits its exposure to credit losses by investing in money market funds through a U.S. bank with high credit ratings. Cash may consist of deposits held with banks that may at times exceed federally insured limits, however, exposure to credit risk in the event of default by the financial institution is limited to the extent of amounts recorded on the balance sheets. The Company has not experienced any losses in such accounts and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Prepaid Expenses and Other Current Assets

Prepaid expenses consist primarily of operating expenses paid in advance.

Property and Equipment, Net

Property and equipment, net consists of furniture and fixtures and laboratory equipment and is stated at cost, less accumulated depreciation. Furniture and fixtures and laboratory equipment are depreciated over the estimated useful lives of the assets (each three to five years) using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reflected in operations in the period realized. Repairs and maintenance costs are charged to expense as incurred.

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

Leases

Leases consist of the Company's operating lease. In accordance with ASC 842, *Leases*, the Company determines if an arrangement is a lease at inception and evaluates each lease agreement to determine whether the lease is an operating or finance lease. For leases where the Company is the lessee, right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any prepaid lease payments, lease incentives received, and costs which will be incurred in exiting a lease. The Company's lease includes options to extend or terminate the lease. Periods covered by an option to extend the lease are included in the lease term when it is reasonably certain that the Company will exercise that option. Periods covered by an option to terminate the lease are included in the lease term when it is reasonably certain that the Company will not exercise that option. At the inception of the lease and as of December 31, 2019, the Company was not reasonably certain that it will exercise its option to extend the lease and was not reasonably certain that it will not exercise its option to terminate the lease, therefore, the periods covered by the options are not included within the lease term. Short-term leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company does not have material short-term lease costs. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. For real estate leases, the Company does not separate lease and non-lease components. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Impairment of Long-Lived Assets

Long-lived assets consist of property and equipment and ROU assets. These assets are reviewed for impairment whenever facts or circumstances either internally or externally may suggest that the carrying value of an asset or asset group may not be recoverable. An impairment loss is recorded if and when events and circumstances indicate that assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. The Company has not recognized any impairment losses through December 31, 2019.

Research and Development Expenses

All research and development costs are expensed in the period incurred. Research and development expenses consist primarily of direct and indirect costs incurred in connection with the development of the Company's ImmunoTAC technology platform, discovery efforts, and preclinical study and clinical trial activities related to the Company's program pipeline, including the Company's lead product candidate, SBT6050. Direct costs include expenses incurred under agreements with contract research organizations ("CROs") and other vendors that conduct the Company's preclinical and clinical activities, expenses associated with manufacturing the Company's product candidates including under agreements with contract development and manufacturing organizations ("CDMOs") and other vendors, and consulting fees. Indirect costs include personnel-related expenses, consisting of employee salaries, bonuses, benefits, and stock-based compensation expense and recruiting costs for personnel engaged in research and development activities, facility and equipment related

expenses, consisting of indirect and allocated expenses for rent, depreciation, and equipment maintenance, and other unallocated research and development expenses incurred in connection with the Company's research and development programs, including laboratory materials and supplies and license fees. Research and development expenses are charged to operating expenses as incurred when these expenditures relate to the Company's research and development efforts and have no alternative future uses.

The Company is obligated to make upfront payments upon execution of certain research and development agreements. Advance payments, including nonrefundable amounts, for goods or services that will be used or rendered for future research and development activities are capitalized until such goods are delivered or the related services are performed, or such time when the Company does not expect the goods to be delivered or services to be performed. The Company estimates the period over which such services will be performed and the level of effort to be expended in each period. If actual timing of performance or the level of effort varies from the estimate, the Company will adjust the amounts recorded accordingly. Since inception, the Company has not experienced any material differences between accrued or prepaid costs and actual costs.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related expenses, including employee salaries, bonuses, benefits, and stock-based compensation, and recruiting costs for personnel in executive, finance, and other administrative functions. Other significant general and administrative expenses include legal fees relating to intellectual property and corporate matters, professional fees for accounting, tax and consulting services, insurance costs, travel expenses and facility related expenses. General and administrative costs are expensed as incurred.

Stock-Based Compensation

The cost of employee services received in exchange for an award of an equity instrument is measured at the grant date based on the award's estimated fair value using the Black-Scholes option pricing model. The estimated fair value of the awards is recognized into expense on a straight-line basis over the requisite service period. Stock-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized, and any previously recognized compensation expense is reversed. Management evaluates when the achievement of a performance condition is probable based on the expected satisfaction of the performance condition at each reporting date. Forfeitures are recognized as a reduction of stock-based compensation expense as they occur. The option plan permits, but does not require, the inclusion of early exercise provisions in individual awards. Proceeds from early option exercises are recorded as a liability until the underlying restricted shares vest. While the restricted shares have voting rights, they are not considered outstanding for accounting purposes.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events

that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities 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 deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes net deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If management determines that the Company is more likely than not able to realize its deferred tax assets in the future in excess of their net recorded amount, management would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes in the period in which the adjustment is made.

The Company records uncertain tax positions on the basis of a two-step process whereby (1) management 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, management recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits within income tax expense. Any accrued interest and penalties are included within the related tax liability. The Company did not have any uncertain tax positions as of December 31, 2018 and 2019.

Comprehensive Loss

Comprehensive loss is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources. The Company's comprehensive loss was equal to net loss for the years ended December 31, 2018 and 2019.

Net Loss Per Share Attributable to Common Stockholders

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period, without consideration of potentially dilutive securities. Diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders since the effect of potentially dilutive securities is anti-dilutive given the net loss of the Company.

Unaudited Pro Forma Net Loss Per Share Attributable to Common Stockholders

The unaudited pro forma basic and diluted net loss per share attributable to common stockholders has been computed to give effect to the conversion of all outstanding shares of the Company's redeemable convertible preferred stock into shares of its common stock upon the closing of a firm-commitment underwritten public offering ("IPO") for which the Company receives gross proceeds of at least $100.0 million, prior to deductions for underwriting discounts, commissions and expenses, or the vote, written consent, or agreement of holders of a majority of the Company's outstanding

redeemable convertible preferred stock. The unaudited pro forma net loss per share attributable to common stockholders does not include the shares to be sold in the proposed IPO.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (1) no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently Adopted Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the standard, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. The Company adopted ASU 2018-07 as of January 1, 2019. The adoption of the new standard did not have a material impact on its financial statements and related disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The objective of the standard is to provide information about expected credit losses on financial instruments at each reporting date and to change how other-than temporary impairments on investment securities are recorded. The guidance is effective for the Company beginning on January 1, 2023, with early adoption permitted. The Company is currently evaluating the impact the standard may have on its financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. The Company adopted ASU 2018-13 on January 1, 2020 and the standard did not have a material impact on its financial statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. The guidance is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company adopted ASU 2019-12 on January 1,

2020 and the standard did not have a material impact on its financial statements and related disclosures.

3. Fair Value Measurements

The Company follows authoritative accounting guidance, which among other things, 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 the exchange price that would be received to sell an asset or paid to transfer a liability (at exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of inputs that may be used to measure fair value include:

Level 1: Quoted prices in active markets for identical assets or liabilities. The Company's Level 1 assets consist of money market funds.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity.

The following table identifies the Company's assets and liabilities that were measured at fair value on a recurring basis (in thousands):

	Level 1	Level 2	Level 3
December 31, 2018			
Assets:			
Money market funds	$20,160	$ —	$ —
December 31, 2019			
Assets:			
Money market funds	$ 9,976	$ —	$ —

There were no transfers between the Level 1 and Level 2 categories or into or out of the Level 3 category during the years ended December 31, 2018 and 2019.

4. Property and Equipment, Net

Property and equipment are summarized as follows (in thousands):

	December 31,	
	2018	2019
Furniture and fixtures	$ 156	$ 156
Laboratory equipment	2,514	2,610
Property and equipment, gross	2,670	2,766
Less accumulated depreciation and amortization	(906)	(1,450)
Property and equipment, net	$1,764	$ 1,316

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

Depreciation and amortization expense was $0.5 million for each of the years ended December 31, 2018 and 2019.

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31,	
	2018	2019
Research and development expenses	$ 238	$ 827
Employee compensation and benefits	433	1,024
Professional services and other	170	261
Total accrued expenses	$ 841	$ 2,112

6. Leases

The Company leases an office and laboratory space in Seattle, Washington. The components of lease expense and related cash flows were as follows (in thousands):

	Year Ended December 31,	
	2018	2019
Lease expense		
Operating lease expense	$ 1,388	$ 1,388
Variable lease expense	368	334
Total lease expense	$ 1,756	$ 1,722
Operating cash outflows from operating leases	$ 1,586	$ 1,522

The remaining term on the Company's lease was 3.8 years and 2.8 years as of December 31, 2018 and 2019, respectively. To compute the present value of the lease liability, the Company used a discount rate of 8.5%.

Future minimum commitments due under the operating lease agreement as of December 31, 2019 are as follows (in thousands):

Year Ending December 31,	Amount
2020	$ 1,099
2021	1,234
2022	2,454
2023	—
2024	—
Thereafter	—
Total undiscounted lease payments	4,787
Present value adjustment	(680)
Total present value of lease payments	$ 4,107

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

7. Convertible Notes and Other Debt

Convertible Notes

In October 2019, the Company issued convertible promissory notes for proceeds of $10.0 million. The notes were unsecured, bore an interest rate of 3% per year, and had a maturity date of March 31, 2020. On March 4, 2020, these notes and accrued interest of $0.1 million converted into 4,673,388 shares of the Company's Series B redeemable convertible preferred stock at the Series B redeemable convertible preferred stock issuance price of $2.16 per share.

Term Loan Payable

In November 2016, the Company entered into a loan and security agreement with Silicon Valley Bank (SVB) that allowed borrowings up to $5.0 million in two tranches. $3.5 million was immediately drawn as a term loan by the Company. In conjunction with the term loan, SVB received a warrant to purchase 28,226 shares of the Company's common stock with an exercise price of $0.62 per share. The warrant expires November 21, 2026. The warrant was recorded as a discount to the loan and an increase in additional paid-in capital.

Under the terms of the agreement, the Company was able to draw an additional $1.5 million through a second tranche before December 31, 2017 if it met certain financing milestones. SVB was eligible to receive an additional warrant contingent upon the Company's draw of this additional tranche. However, in December 2017, the Company amended the loan and security agreement to extend the second tranche draw window to March 31, 2018. This tranche expired undrawn. In exchange for the extension, SVB received an additional warrant to purchase 5,769 shares of the Company's common stock with an exercise price of $0.65 per share and, because the tranche expired undrawn, an unused term loan fee. Neither the additional warrants to purchase common stock or the unused term loan fee were material to the financial statements.

The outstanding principal amount of the term loan accrues interest at an annual rate of 1.75% per annum. At closing, the Company incurred de minimis debt issuance costs and owed a final payment fee of $0.3 million, both of which are amortized to interest expense over the remaining term of the debt under the effective interest method. The effective interest rate of the Company's term loan is 5.14%. Interest expense under the term loan totaled $0.2 million and $0.1 million for the years ended December 31, 2018 and 2019, respectively.

The term loan is collateralized by the Company's tangible and intangible assets, excluding intellectual property. The proceeds are to be used as working capital and to fund general business requirements. The agreement includes customary nonfinancial covenants and events of default that include, among other things, non-payment, inaccuracy of representations and warranties, covenant breaches, cross default to material indebtedness or material agreements, bankruptcy and insolvency, material judgments, a change of control, or any material adverse event. The Company was in compliance with all related covenants as of December 31, 2018 and 2019. Given the existence of a subjective acceleration clause, all amounts due to SVB are classified as a current liability at December 31, 2018 and 2019, though SVB has not accelerated any amounts due under the debt agreement.

The term loan's original maturity date was November 1, 2020. However, in April 2020 the Company amended the loan and security agreement to defer principal payments for six months and

extend the maturity date to May 1, 2021. There were no costs or additional warrant issuances in connection with this amendment. The Company accounted for the amendment as a debt modification and is amortizing the remaining debt discount over the remaining term.

8. Redeemable Convertible Preferred Stock

In April 2016, the Company entered into a Series A preferred stock purchase agreement under which the Company issued 2,857,143 shares of its Series A redeemable convertible preferred stock for $3.50 per share in an initial closing, resulting in gross proceeds of $10.0 million. In addition to the initial closing, investors agreed to buy, and the Company agreed to sell, future tranches of additional shares of Series A redeemable convertible preferred stock at a purchase price of $3.50 per share in the event that certain agreed upon milestones were achieved. These preferred stock purchase rights met the definition of freestanding instruments and the requirements for liability classification pursuant to ASC 480. The Company determined their issuance date fair value and recorded them on the balance sheet with the remainder of the proceeds raised allocated to redeemable convertible preferred stock. They were revalued at each reporting period with changes in their fair value recorded in the statements of operations and comprehensive loss.

In May 2017, the Company issued 7,142,857 shares of its Series A redeemable convertible preferred stock at a purchase price of $3.50 per share, resulting in gross proceeds of $25.0 million. The preferred stock purchase right related to this tranche was revalued at settlement and the resultant fair value reclassified to redeemable convertible preferred stock.

In December 2017, the Company's board of directors cancelled the remaining $25.0 million tranche available under the original Series A redeemable convertible preferred stock purchase agreement. The preferred stock purchase right related to this tranche was revalued at cancellation and the resultant fair value was reclassified into additional paid-in capital as a deemed contribution due to the holder being a controlling stockholder of the Company.

In September 2018, the Company entered into another Series A preferred stock purchase agreement under which the Company issued 3,571,427 shares of its Series A redeemable convertible preferred stock at a purchase price of $3.50 per share in an initial closing, resulting in gross proceeds of $12.5 million. In addition to the initial closing, certain investors received an option to buy up to 2,142,856 shares of additional Series A redeemable convertible preferred stock at a purchase price of $3.50 per share for a period of 180 days following the initial closing. These preferred stock purchase options met the definition of freestanding instruments and met the requirements for liability classification pursuant to ASC 480. The Company determined their issuance date fair value (a Level 3 estimate) using a Black-Scholes option pricing model. Assumptions used in the model included the Company's then current Series A redeemable convertible preferred stock fair value, expected term, expected volatility, and risk-free rate. The options were recorded on the balance sheet at their fair value with the remainder of the proceeds raised allocated to redeemable convertible preferred stock. They were revalued at each reporting period with changes in their fair value recorded in the statements of operations and comprehensive loss.

In December 2018, the investors exercised their preferred stock purchase options and the Company issued 2,142,856 shares of its Series A redeemable convertible preferred stock at a purchase price of $3.50 per share, resulting in gross proceeds of $7.5 million. The preferred stock

purchase options were revalued as of the settlement date (a Level 3 estimate) using a Black-Scholes option pricing model. Assumptions used in the model included the Company's then current Series A redeemable convertible preferred stock fair value, expected term, expected volatility, and risk-free rate. At the settlement of the preferred stock purchase options, the final liability balance of $1.0 million was reclassified to redeemable convertible preferred stock.

The following table summarizes the preferred stock purchase option liability during the year ended December 31, 2018 (in thousands):

	Redeemable Convertible Preferred Stock Purchase Option Liability
Balance at December 31, 2017	$ —
Issuance of redeemable convertible preferred stock purchase option	1,662
Change in value of redeemable convertible preferred stock purchase option liability	(698)
Reclassification of liability to redeemable convertible preferred stock upon settlement	(964)
Balance at December 31, 2018	$ —

Gross proceeds related to Series A redeemable convertible preferred stock totaled $55.0 million between April 2016 and December 31, 2018.

In March 2020, the Company issued 14,701,054 shares of its Series B redeemable convertible preferred stock, including 4,673,388 shares issued upon conversion of then outstanding convertible notes and accrued interest, and 10,027,666 shares issued for cash at a purchase price of $2.16 per share, resulting in gross proceeds of $21.5 million. The Series B purchase agreement provides that the Company will issue, and the Series B holders will purchase, an additional 21,732,862 shares of the Company's Series B redeemable convertible preferred stock across two tranches for aggregate proceeds of $46.9 million in the event that certain agreed upon milestones are achieved or the preferred majority approves their closing. The future Series B tranches did not meet the definition of freestanding instruments or the definition of derivatives, therefore, they were not accounted for separately or bifurcated.

In July 2020, the Company issued 10,669,834 shares of its Series B redeemable convertible preferred stock for cash at a purchase price of $2.16 per share, resulting in gross proceeds of $23.0 million.

In September 2020, the Company issued 11,063,028 additional shares of its Series B redeemable convertible preferred stock for cash at a purchase price of $2.16 per share, resulting in gross proceeds of $23.9 million, and 24,926,685 shares of its Series C redeemable convertible preferred stock for cash at a purchase price of $3.41 per share, resulting in gross proceeds of $84.9 million.

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

The holders of the Company's Series A redeemable convertible preferred stock have the following rights, preferences, and privileges:

Conversion

Each share of the Company's Series A redeemable convertible preferred stock was 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, or automatically upon a qualified IPO (as described below), into such number of fully paid and non-assessable shares of common stock as is determined by dividing the original issue price by the preferred stock's conversion price in effect at the time of conversion. The preferred stock's conversion price will initially be equal to the original issue price for the redeemable convertible preferred stock. The conversion price, and the rate at which shares of redeemable convertible preferred stock may be converted into shares of common stock, is subject to adjustment.

The certificate of incorporation in effect for the Series A redeemable convertible preferred stock financings defined a qualified IPO as one with gross proceeds of at least $50.0 million, prior to deductions for underwriting discounts, commissions, and expenses, has a pre-offering valuation of at least $200.0 million, and a price per share of common stock of at least three times the original issue price, or the vote, written consent, or agreement of holders of a majority of the Company's outstanding redeemable convertible preferred stock. The certificate of incorporation was amended in connection with the Series C redeemable convertible preferred stock financing to define a qualified IPO as one with gross proceeds of at least $100.0 million, prior to deductions for underwriting discounts, commissions and expenses, or the vote, written consent, or agreement of holders of a majority of the Company's outstanding redeemable convertible preferred stock.

Dividends

The holders of shares of the Company's Series A redeemable convertible preferred stock shall be entitled to receive noncumulative dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend on the Company's common stock, at the rate of 8% of the original issue purchase price of $3.50 per share (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of each such share of Series A preferred stock per share per annum on each outstanding share of Series A preferred stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like). All such dividends are payable only when, as, and if, declared by the board of directors of the Company.

Liquidation Preference

In the event of any liquidation event, either voluntary or involuntary, the holders of shares of the Company's Series A redeemable convertible preferred stock then outstanding shall be entitled to be paid out of the proceeds of such liquidation event and the assets of the Company available for distribution to its stockholders before any payment shall be made to the holders of the Company's common stock. The amount paid per share shall be equal to the sum of the original issue price of the Series A preferred stock of $3.50 per share (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), plus any declared but unpaid dividends on

each such share. If, upon the occurrence of a liquidation event, the proceeds distributed among the holders of Series A redeemable convertible preferred stock are insufficient to permit the payment to such holders of the full liquidation preferences, then the entire proceeds available for distribution shall be distributed ratably among the holders of Series A redeemable convertible preferred stock in proportion to the full amount that each holder is otherwise entitled to receive. Upon completion of the distribution of the full liquidation preference, all of the remaining proceeds of the liquidation event shall be distributed among the holders of common stock and the holders of Series A redeemable convertible preferred stock pro rata and on an as converted to common stock basis at the then effective conversion rate for the Series A redeemable convertible preferred stock.

Voting

The holder of each share of the Company's Series A redeemable convertible preferred stock shall have the right to one vote for each share of the Company's common stock into which the Series A redeemable convertible preferred stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of common stock. As long as at least 20% of the shares of Series A redeemable convertible preferred stock originally issued are outstanding, the holders of the outstanding shares of Series A redeemable convertible preferred stock shall be entitled to elect one director to the board of directors of the Company. The holders of outstanding common stock shall also be entitled to elect one director to the board of directors of the Company. The holders of Series A redeemable convertible preferred stock and common stock, voting together as a single class and on an as converted to common stock basis, are entitled to elect any remaining directors to the board of directors of the Company. The holders of Series A redeemable convertible preferred stock are also entitled to vote together as a single class on certain protective matters including, but not limited to, changes that would alter the rights of the shares of preferred stock, payment of dividends, and issuance of debt or an additional class of stock.

Classification

The Company has classified its Series A redeemable convertible preferred stock as mezzanine equity in the balance sheets as the shares are contingently redeemable upon a deemed liquidation such as a change in control and in that event there is no guarantee that all stockholders would be entitled to receive the same form of consideration. Following the 2020 issuances of the Company's Series B and Series C redeemable convertible preferred stock, the Series A redeemable convertible preferred stock continues to be contingently redeemable. No accretion to redemption value was recorded during the years ended December 31, 2018 and 2019 as a deemed liquidation event was not considered probable.

9. Stockholders' Deficit

Common Stock

Common stockholders of the Company are entitled to one vote per share. Holders of common stock are entitled to receive dividends, when and if declared by the board of directors of the Company. The voting, dividend, and liquidation rights of the holders of the common stock are subject to, and qualified by, the rights, privileges, and preferences of the holders of preferred stock.

Silverback Therapeutics, Inc.

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The Company has reserved shares of common stock for the following potential future issuances:

	December 31,	
	2018	2019
Conversion of Series A outstanding redeemable convertible preferred stock	15,714,283	15,714,283
Shares underlying outstanding equity awards	1,350,950	2,063,234
Shares available for future equity award grants	2,336,861	1,610,438
Shares underlying early exercised equity awards	36,557	22,421
Exercise of common stock warrants	33,995	33,995
Total	19,472,646	19,444,371

The preceding table excludes 61,360,601 shares of the Company's common stock issuable upon the potential conversion of 61,360,601 aggregate shares of its Series B and Series C redeemable convertible preferred stock issued in 2020.

10. Stock-Based Compensation

The Company has established the 2016 equity incentive plan for the benefit of its employees and board members. The form of awards, term, exercise price, and vesting schedule of the options are determined by the Company's board of directors at the time of grant. Awards may be made under the plan for 4,163,176 shares of common stock. The stock options generally vest over four years with a 25% cliff vest at the first anniversary of the vesting start date.

A summary of the Company's stock option activity under the 2016 equity incentive plan and related information is as follows (in thousands, except share and per share data and years):

		Stock Options Outstanding			
	Shares Available for Grant	Shares Subject to Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance at December 31, 2018	2,336,861	1,350,950	$ 0.47	8.9	$ —
Shares authorized	—	—			
Granted	(790,358)	790,358	$ 0.37		
Exercised	—	(14,139)	$ 0.39		$ 2
Canceled	63,935	(63,935)	$ 0.47		
Balance at December 31, 2019	1,610,438	2,063,234	$ 0.43	8.5	$ 154
Vested at December 31, 2019		812,567	$ 0.49	7.7	$ 51

The total fair value of shares vested during the years ended December 31, 2018 and 2019 was $0.3 million and $0.1 million, respectively. The aggregate intrinsic value in the table above is calculated as the difference between the exercise price of the underlying options and the estimated fair value of the Company's common stock for all options that were in-the-money at December 31, 2019.

Silverback Therapeutics, Inc.

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Stock-Based Compensation Expense

Stock-based compensation expense recognized for all equity awards has been reported in the statements of operations and comprehensive loss as follows (in thousands):

	Year Ended December 31,	
	2018	2019
Research and development expense	$100	$131
General and administrative expense	193	17
Total stock-based compensation expense	$293	$148

The weighted-average grant date fair value per share of option grants for the years ended December 31, 2018 and 2019 was $0.36 and $0.26, respectively. As of December 31, 2019, the total unrecognized stock-based compensation expense was $0.3 million, which is expected to be recognized over a remaining weighted-average period of approximately 2.7 years.

The grant date fair value of stock options was estimated using a Black-Scholes option pricing model with the following weighted-average assumptions:

	Year Ended December 31,	
	2018	2019
Expected term (in years)	6.4	6.1
Expected volatility	80%	80%
Risk-free interest rate	2.66%	2.08%
Expected dividend yield	—	—

The fair value of stock options was determined using the Black-Scholes option-pricing model and the assumptions below. Each of these inputs is subjective and generally requires significant judgement.

Fair Value of Common Stock. The grant date fair market value of the shares of common stock underlying stock options has historically been determined by the Company's board of directors. Because there has been no public market for the Company's common stock, the board of directors exercises reasonable judgment and considers a number of objective and subjective factors to determine the best estimate of the fair market value, which include contemporaneous valuations performed by an independent third-party, the Company's results of operations and financial position, including its levels of available capital resources, its stage of development and material risks related to the Company's business, progress of the Company's research and development activities, the Company's business conditions and projections, the lack of marketability of the Company's common stock and preferred stock as a private company, the prices at which the Company sold shares of its redeemable convertible preferred stock to outside investors in arms-length transactions, the rights, preferences and privileges of the Company's redeemable convertible preferred stock relative to those of its common stock, the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry, the likelihood of achieving a liquidity event for the Company's securityholders, such as an IPO or a sale of the company, given prevailing market conditions, the hiring of key personnel and the

experience of management, trends and developments in the Company's industry and external market conditions affecting the life sciences and biotechnology industry sectors.

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 mid-point between the vesting date and the end of the contractual term) as the Company has concluded that its stock option exercise history does not provide a reasonable basis upon which to estimate expected term.

Expected Volatility. Given that the Company's common stock is privately held, there is no active trading market for the Company's common stock. The Company derived the expected volatility from the average historical volatilities over a period approximately equal to the expected term of comparable publicly traded companies within its peer group that were deemed to be representative of future stock price trends as the Company has limited trading history for its common stock. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

Risk-free Interest Rate. The risk-free interest rate is based on the U.S. Treasury rate, with maturities similar to the expected term of the stock options.

Expected Dividend Yield. The Company has never paid dividends on its common stock and does not anticipate paying any dividends in the foreseeable future. Therefore, the Company uses an expected dividend yield of zero.

11. Income Taxes

The Company's effective tax rates for the years ended December 31, 2018 and 2019 differ from the U.S. federal statutory rate as follows (in thousands):

	Year Ended December 31,	
	2018	2019
Tax at the federal statutory rate	$(3,692)	$(5,033)
Benefit from R&D tax credits	(276)	(561)
Change in fair value of redeemable convertible preferred stock purchase option liability	(147)	—
Other temporary and permanent differences	24	(3)
Change in valuation allowance	4,091	5,597
Total provision for income taxes	$ —	$ —

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

The significant components of the Company's deferred tax assets and liabilities were as follows (in thousands):

	December 31, 2018	December 31, 2019
Deferred tax assets:		
Net operating loss carryforward	$ 7,617	$ 12,575
Lease liability	1,026	862
R&D tax credit carryforward	381	941
Other deferred tax assets	9	41
Total deferred tax assets	9,033	14,419
Deferred tax liabilities—Right of use asset	(894)	(683)
Valuation allowance	(8,139)	(13,736)
Net deferred tax assets	$ —	$ —

At December 31, 2019, the Company had net operating loss carryforwards for income tax purposes of approximately $59.9 million. If not used, $18.2 million of this carryforward will begin to expire in 2036 and $41.7 million has no expiration. At December 31, 2019, the Company also had research and development tax credits of approximately $0.9 million which will begin to expire in 2036 if left unused. The Company did not have any foreign tax provision and did not generate material net operating losses in any states with an income tax.

FASB ASC 740 requires that the tax benefit of net operating losses, temporary differences, and credit carryforwards be recorded as an asset to the extent that management assesses the realization is "more likely than not." Realization of the future tax benefits from the net operating losses or credit carryforwards, if any, is dependent on the Company's ability to generate sufficient taxable income within the applicable carryforward period. Because of the Company's recent history of operating losses, the Company maintains a full valuation allowance in the amount of $8.1 million and $13.7 million for the years ended December 31, 2018 and 2019, respectively.

The Company may have already experienced one or more ownership changes. Depending on the timing of any future utilization of its carryforwards, the Company may be limited as to the amount that can be utilized each year as a result of such previous ownership changes. However, the Company does not believe such limitations will cause its carryforwards to expire unutilized.

Future changes in the Company's stock ownership as well as other changes that may be outside the Company's control could potentially result in further limitations on the Company's ability to utilize its net operating loss and tax credit carryforwards.

As of December 31, 2018 and 2019, the Company did not have any liabilities for unrecognized income tax benefits associated with uncertain tax positions, including any interest and penalties.

12. Licensing Agreement

License Agreement with WuXi Biologics (Hong Kong) Limited

In October 2019, the Company entered into a cell line license agreement with WuXi Biologics (Hong Kong) Limited ("WuXi Bio"). Under the license agreement, WuXi Bio granted the Company a

non-exclusive, worldwide, sublicensable, under certain of WuXi Bio's intellectual property rights, know-how and biological materials ("WuXi Bio Licensed Technology"), to make, use, sell, offer for sale and import a product developed through the use of the WuXi Bio Licensed Technology ("WuXi Bio Licensed Product"). The WuXi Bio Licensed Technology is currently used to manufacture a component of the Company's lead product, SBT6050.

In consideration for the license, the Company paid WuXi Bio a low six figures license fee which was recorded as research and development expense in accordance with ASC 730. In the event the Company manufactures its commercial supplies of a product produced by the Licensed Cell Line using a manufacturer other than WuXi Bio or its affiliates, the Company will become obligated to pay WuXi Bio aggregate milestone payments, upon achievement of certain sales milestones, of up to the low eight figures.

The Company has the right to terminate the license by giving at least six months prior written notice to WuXi Bio and paying all amounts due to them through the termination date. In the event the Company fails to pay all amounts due to WuXi Bio under the license agreement, and fails to pay the amounts within 30 days after receiving written notice of such failure, WuXi Bio may terminate the license with 45 days written notice to the Company. In the event either party commits a material breach under the license and fails to cure the breach within 30 days after receiving written notice from the other party of such breach, either party may terminate the license immediately upon written notice to the other party.

13. Commitments and Contingencies

Legal Proceedings

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and that such expenditures can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount.

Indemnifications

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless, and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has never incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. The Company intends to enter into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by Delaware corporate law. The Company currently has directors' and officers' insurance coverage that reduces its exposure and enables the Company to recover a portion of any future amounts paid. The Company believes the estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal.

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

COVID-19

The global COVID-19 pandemic continues to rapidly evolve, and management continue to monitor the situation closely. The extent of the impact of COVID-19 on the Company's business, operations and clinical development timelines and plans remains uncertain, and will depend on certain developments, including the duration and spread of the outbreak and its impact on the Company's clinical trial enrollment, trial sites, CROs, third-party manufacturers, and other third parties with whom the Company does business, as well as its impact on regulatory authorities and the Company's key scientific and management personnel. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. To the extent possible, management is conducting business as usual, with necessary or advisable modifications to employee travel and most of the Company's non-lab based employees working remotely. Management will continue to actively monitor the rapidly evolving situation related to COVID-19 and may take further actions that alter Company operations, including those that may be required by federal, state or local authorities, or that management determines are in the best interests of the Company's employees and other third parties with whom the Company does business. At this point, the extent to which the COVID-19 pandemic may affect the Company's business, operations and clinical development timelines and plans, including the resulting impact on Company expenditures and capital needs, remains uncertain and is subject to change.

14. Related Party Transactions

The Company reimburses certain travel expenses incurred by one of its investors to support the business. Amounts due to the investor totaled less than $0.1 million as of December 31, 2018 and 2019. Reimbursable travel expenses incurred by the investor totaled less than $0.1 million during each of the years ended December 31, 2018 and 2019.

15. Employee Benefit Plans

The Company maintains a retirement plan, which is qualified under section 401(k) of the Internal Revenue Code of 1986, as amended, for the Company's U.S. employees. The plan allows eligible employees to defer, at the employee's discretion, pretax compensation up to the IRS annual limits. The Company does not match contributions made by employees.

16. Net Loss Per Share Attributable to Common Stockholders

The following outstanding shares of potentially dilutive securities were excluded from the computation of the diluted net loss per share attributable to common stockholders for the periods presented because their effect would have been anti-dilutive:

	Year Ended December 31,	
	2018	2019
Redeemable convertible preferred stock	15,714,283	15,714,283
Common stock options	1,350,950	2,063,234
Unvested common stock	36,557	22,421
Common stock warrants	33,995	33,995
Total potentially dilutive shares	17,135,785	17,833,933

Silverback Therapeutics, Inc.

Notes to Financial Statements
December 31, 2018 and 2019

17. Unaudited Pro Forma Net Loss Per Share Attributable to Common Stockholders

Pro forma basic and diluted net loss per share has been computed to give effect to the assumed conversion of all outstanding shares of the Company's redeemable convertible preferred stock into shares of its common stock upon completion of a qualifying IPO of the common stock.

The following table sets forth the computation of the unaudited pro forma basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Year Ended December 31, 2019 (unaudited)
Numerator:	
Net loss used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	$ (23,967)
Denominator:	
Weighted-average shares of common stock used in computing net loss per share attributable to common stockholders	2,453,937
Pro forma adjustment to reflect conversion of redeemable convertible preferred stock	
Weighted-average shares of common stock used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	
Pro forma net loss per share attributable to common stockholders, basic and diluted	$

18. Subsequent Events

For purposes of the financial statements as of December 31, 2019 and the year then ended, the Company evaluated subsequent events for recognition and measurement purposes through October 2, 2020, the date the financial statements were issued. Except for the issuance of Series B and Series C redeemable convertible preferred stock (Notes 1, 8, and 9), the conversion of the Company's convertible debt (Note 7), and term loan maturity extension (Note 7) described elsewhere in these financial statements, the Company has concluded that no events or transactions have occurred that require disclosure.

Shares

Silverback Therapeutics, Inc.

Common Stock

Goldman Sachs & Co. LLC **SVB Leerink** **Stifel**

H.C. Wainwright & Co.

Through and including , 2020 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by us in connection with the sale of our common stock being registered. All amounts are estimates except for the Securities and Exchange Commission (SEC) registration fee, the Financial Industry Regulatory Authority (FINRA) filing fee and the Nasdaq Global Market (Nasdaq) listing fee.

Item	Amount Paid or to Be Paid
SEC registration fee	$ *
FINRA filing fee	*
Nasdaq listing fee	*
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

As permitted by Section 102 of the Delaware General Corporation Law, we have adopted provisions in our amended and restated certificate of incorporation and amended and restated bylaws that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for 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 act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our amended and restated certificate of incorporation also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws provide that:

- we may indemnify our directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;

- we may advance expenses to our directors, officers and employees in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and
- the rights provided in our bylaws are not exclusive.

Our amended and restated certificate of incorporation and our amended and restated bylaws provide for the indemnification provisions described above and elsewhere herein. We have entered or will enter into, and intend to continue to enter into, separate indemnification agreements with our directors and officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements generally require us, among other things, to indemnify our officers and directors against certain liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended (Securities Act).

We have purchased and currently intend to maintain insurance on behalf of each and every person who is one of our directors or officers against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The form of underwriting agreement for this initial public offering provides for indemnification by the underwriters of us and our officers and directors who sign this registration statement for specified liabilities, including matters arising under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

Since January 1, 2017, we have made the following sales of unregistered securities:

(1) In December 2017, we issued a warrant to Silicon Valley Bank to purchase 5,769 shares of our common stock at an exercise price of $0.65 per share in connection with the amendment of our loan and security agreement with Silicon Valley Bank.

(2) In September 2018, we entered into a Series A preferred stock purchase agreement with various investors, pursuant to which we issued and sold to such investors an aggregate of 15,714,283 shares of our Series A redeemable convertible preferred stock at a purchase price of $3.50 per share, and received aggregate gross proceeds of $55.5 million.

(3) In October 2019, we issued convertible promissory notes to certain accredited investors, pursuant to which we issued and sold $10.0 million aggregate principal amount of convertible promissory notes in exchange for $10.0 million in gross proceeds.

(4) In March 2020, we entered into a Series B preferred stock purchase agreement with various investors, pursuant to which we issued and sold to such investors an aggregate of 19,929,286 shares of our Series B redeemable convertible preferred stock at a purchase price of $2.16 per share, and received aggregate gross proceeds of $43.0 million, which included the conversion of the convertible promissory notes described in paragraph (3) above.

(5) In September 2020, we issued and sold 11,063,028 additional shares of our Series B redeemable convertible preferred stock at a purchase price of $2.16 per share, and received aggregate gross proceeds of $23.9 million.

(6) In September 2020, we entered into a Series C preferred stock purchase agreement with various investors, pursuant to which we issued and sold to such investors an aggregate of

24,926,685 shares of our Series C redeemable convertible preferred stock at a purchase price of $3.41 per share, and received aggregate gross proceeds of $85.0 million.

(7) From January 1, 2017 to the effective date of this registration statement, we granted stock options under our 2016 Equity Incentive Plan, as amended (the Prior Plan), to purchase up to an aggregate of shares of our common stock to our employees, directors and consultants, at a weighted-average exercise price of $ per share. Through the effective date of this registration statement, shares of common stock were issued upon the exercise of options granted to employees, directors and consultants and the payment of $ to us was made.

The offers, sales and issuances of the securities described in paragraphs (1) through (5) were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) (or Regulation D promulgated thereunder) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor under Rule 501 of Regulation D. No underwriters were involved in these transactions.

The offers, sales and issuances of the securities described in paragraph (6) were deemed to be exempt from registration under the Securities Act in reliance on either Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701 or Section 4(a)(2) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of such securities were our employees, directors or bona fide consultants and received the securities under the Prior Plan.

Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The exhibits listed below are filed as part of this registration statement.

Exhibit Number	Description of Document
1.1†	Form of Underwriting Agreement.
3.1	Fourth Amended and Restated Certificate of Incorporation, as currently in effect.
3.2†	Form of Amended and Restated Certificate of Incorporation to become effective immediately prior to the closing of this offering.
3.3	Bylaws, as currently in effect.
3.4†	Form of Amended and Restated Bylaws to become effective upon the closing of this offering.
4.1†	Form of Common Stock Certificate of the registrant.
4.2	Amended and Restated Investors' Rights Agreement, by and between the registrant and certain of its stockholders, dated September 22, 2020.
4.3	Warrant to purchase stock issued to Silicon Valley Bank, dated November 21, 2016.
4.4	Warrant to purchase stock issued to Silicon Valley Bank, dated December 22, 2017.
5.1†	Opinion of Cooley LLP.
10.1+†	Form of Indemnity Agreement, by and between the registrant and its directors and officers.
10.2+	Silverback Therapeutics, Inc. 2016 Equity Incentive Plan, as amended, and Forms of Option Agreement, Notice of Exercise, Notice of Early Exercise, Restricted Stock Grant Notice and Restricted Stock Award Agreement thereunder.
10.3+†	Silverback Therapeutics, Inc. 2020 Equity Incentive Plan, and Forms of Option Grant Notice, Option Agreement and Notice of Exercise thereunder.
10.4+†	Silverback Therapeutics, Inc. 2020 Employee Stock Purchase Plan.
10.5+¥	Letter Agreement, by and between the registrant and Laura Shawver, Ph.D., dated March 6, 2020, as amended.
10.6+¥	Letter Agreement, by and between the registrant and Valerie Odegard, Ph.D., dated July 23, 2016.
10.7+¥	Letter Agreement, by and between the registrant and Naomi Hunder, M.D., dated December 22, 2018.
10.8+¥	Letter Agreement, by and between the registrant and Russ Hawkinson, dated April 17, 2020.
10.9¥	Lease, by and between the registrant and BMR-500 Fairview Avenue LLC, dated June 8, 2016.
10.10¥*	Master Laboratory Services Agreement, by and between the registrant and Q Squared Solutions LLC, dated May 25, 2020.
10.11¥*	Master Services Agreement, by and between the registrant and CE3, Inc., dated January 21, 2020.

Exhibit Number	Description Of Document
10.12¥*	Cell Line License Agreement, by and between the registrant and WuXi Biologics (Hong Kong) Limited, dated October 11, 2019.
10.13	Loan and Security Agreement, by and between the registrant and Silicon Valley Bank, dated November 21, 2016, as amended.
23.1†	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2†	Consent of Cooley LLP. Reference is made to Exhibit 5.1.
24.1†	Power of Attorney. Reference is made to the signature page hereto.

† To be filed by amendment.
¥ Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.
+ Indicates management contract or compensatory plan.
* Certain portions of this exhibit are omitted because they are not material and would likely cause competitive harm to the registrant if disclosed.

(b) Financial Statement Schedules.

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington on , 2020.

SILVERBACK THERAPEUTICS, INC.

By: _____
Laura Shawver, Ph.D.
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Laura Shawver, Ph.D., and Russ Hawkinson, and each of them, as her or his true and lawful attorneys-in-fact and agents, each with the full power of substitution, for her or him and in her or his name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their, her or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Laura Shawver, Ph.D.	Chief Executive Officer and Director *(Principal Executive Officer)*	, 2020
Russ Hawkinson	Senior Vice President of Finance *(Principal Financial and Accounting Officer)*	, 2020
Peter Thompson, M.D.	Chairman of the Board of Directors	, 2020
Vickie L. Capps	Director	, 2020
Robert Hershberg, M.D., Ph.D.	Director	, 2020
Saqib Islam, J.D.	Director	, 2020

Signature	Title	Date
Jonathan Root, M.D.	Director	, 2020
Thilo Schroeder, Ph.D.	Director	, 2020
Scott Platshon	Director	, 2020

State of Delaware
Secretary of State
Division of Corporation
Delivered 08:33 AM 09/21/2020
FILED 08:33 AM 09/21/2020
SR 20207369908 - File Number 5818437

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF SILVERBACK THERAPEUTICS, INC.

(Pursuant to Sections 141(f) 228, 242, and 245 of the General Corporation Law of the State of Delaware)

Silverback Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

FIRST: That the name of this corporation is Silverback Therapeutics, Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law on January 4, 2016 under the name Silverback Therapeutics, Inc.

SECOND: That the Board of Directors of this corporation duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety as follows:

ARTICLE I

The name of this corporation is Silverback Therapeutics, Inc. (the "**Corporation**").

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is to be located at 1013 Centre Road, Suite 403-B, in the City of Wilmington, County of New Castle, State of Delaware, 19805. The name of the Corporation's registered agent at such address is Vcorp Services, LLC.

ARTICLE III

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.

ARTICLE IV

A. Authorization of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, common stock and preferred stock. The total number of shares that the Corporation is authorized to issue is 173,074,889. The total number of shares of common stock authorized to be issued is 96,000,000, par value $0.0001 per share (the "**Common Stock**"). The total number of shares of preferred stock authorized to be issued is 77,074,889, par value $0.0001 per share (the "**Preferred Stock**"), 15,714,283 of which are designated as "**Series A Preferred Stock**", 36,433,916 of which are designated as "**Series B Preferred Stock**", and 24,926,690 of which are designated as "**Series C Preferred Stock**".

B. Rights, Preferences and Restrictions of Preferred Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Preferred Stock are as set forth below in this Article IV Section B.

1. Dividend Provisions.

(a) The holders of shares of each series of Preferred Stock shall be entitled to receive, on a pari passu basis, noncumulative dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock to the holders of Common Stock) on the Common Stock of the Corporation, at the rate of eight percent (8%) of the applicable Original Issue Price (as defined below) of each such share of Preferred Stock per annum on each outstanding share of Preferred Stock). As used in this Amended and Restated Certificate of Incorporation, "**Original Issue Price**" shall mean $3.50 per share for each share of Series A Preferred Stock, $2.16 per share for each share of Series B Preferred Stock, and $3.41 per share for each share of Series C Preferred Stock, in each case as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such applicable series of Preferred Stock.

(b) All such dividends are payable only when, as, and if, declared by the Corporation's board of directors (the "**Board of Directors**"). Such dividends shall be noncumulative. No dividends (other than those payable in Common Stock to holders of Common Stock) shall be paid on any Common Stock of the Corporation until all dividends on the Preferred Stock shall have been paid. After payment of such dividends to the holders of Preferred Stock, any additional dividends shall be distributed among the holders of Preferred Stock and Common Stock on a pari passu basis and pro rata based on the number of shares of Common Stock then held by each holder, including all shares of Common Stock into which such holder's shares of Preferred Stock could be converted at the then effective applicable Conversion Rates (as defined in Section 4(a) below).

(c) Whenever a dividend or distribution shall be payable in property other than cash, the value of such dividend or distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors, including the consent of the Required Preferred Directors (as defined in Section 5(b) below).

2. Liquidation Preference.

(a) In the event of any Liquidation Event (as defined in Section 2(c) below), either voluntary or involuntary, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid on a pari passu basis out of the proceeds of such Liquidation Event and the assets of the Corporation available for distribution to its stockholders ("**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 sum of the applicable Original Issue Price for such share of Preferred Stock, plus any declared but unpaid dividends on each such share (the "**Liquidation Preference**"). If, upon the occurrence of such event, the Proceeds thus distributed among the holders of Preferred Stock shall be insufficient to permit the payment to such holders of the full Liquidation Preferences, then the entire Proceeds legally available for distribution shall be distributed ratably among the holders of Preferred Stock in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this Section 2(a).

(b) Subject to the provisions of Article IV, Section B.2(d) below, upon completion of the distribution of the full Liquidation Preference, all of the remaining Proceeds shall be distributed pari passu among the holders of Common Stock and the holders of Preferred Stock pro rata and on an as converted to Common Stock basis at the then effective applicable Conversion Rates for the Preferred Stock. The aggregate amount that a holder of a share of Preferred Stock is entitled to receive under Section 2(a) and this Section 2(b) is hereinafter referred to as the "**Preferred Liquidation Amount**."

(c) (i) For purposes of this Section 2, a "**Liquidation Event**" shall mean:

(A) the closing of the sale, lease, transfer, exclusive license or other disposition, in one transaction or a series of related transactions, of all or substantially all of the Corporation's and its subsidiaries' assets, taken as a whole, or all or substantially all of the intellectual property assets of the Corporation and its subsidiaries, taken as a whole, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation for the benefit of the Corporation,

(B) the consummation of the merger or consolidation of the Corporation with or into another entity, except any merger or consolidation in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold immediately following such merger or consolidation a majority of the voting power of the capital stock of the Corporation or the surviving or acquiring entity (or, if the surviving or acquiring entity is a wholly owned subsidiary of another party immediately following such merger or consolidation, the parent entity of such surviving or acquiring entity),

(C) the closing of the issuance, sale or transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, as a result of which the holders of capital stock of the Corporation immediately prior to such transaction hold immediately following such transaction less than a majority of the outstanding voting stock of the Corporation, or the surviving or acquiring entity; or

(D) a liquidation, voluntary or involuntary dissolution or winding up of the Corporation or a general assignment for the benefit of creditors; provided, however, that a transaction or series of transactions shall not constitute a Liquidation Event if:

(1) its sole purpose is to change the state of the Corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons and entities who held the Corporation's securities immediately prior to such transaction;

(2) it is solely a transfer of securities to an underwriter of the Corporation's securities in connection with an initial underwritten public offering pursuant to a registration statement on Form S-1 under the Securities Act of 1933, as amended (the "**Securities Act**");

(3) it is solely for bona fide financing purposes in which cash is received by the Corporation, or indebtedness of the Corporation is cancelled or converted or a combination thereof; or

(4) the holders in the aggregate of a majority of the then outstanding shares of Preferred Stock, voting together as a single class, on as converted to Common Stock basis (the "**Preferred Majority**") elects in writing that such transaction or series of transactions, as applicable, is not a Liquidation Event.

(i) If Proceeds from any Liquidation Event to be distributed to the Corporation or its stockholders is other than cash, the value of such Proceeds will be deemed to be the fair market value of such Proceeds. Any Proceeds that are securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a U.S. national securities exchange, the value shall be deemed to be the average of the daily VWAPs of the securities on such exchange over the twenty (20) trading-day period ending three (3) trading days prior to the occurrence of the Liquidation Event;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the daily VWAPs (whichever is applicable) over the twenty (20) trading-day period ending three (3) trading days prior to the occurrence of the Liquidation Event; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Corporation and the Preferred Majority.

For the purposes of this Section 2(c)(ii), "**trading day**" shall mean any day which the exchange or system on which the securities to be distributed are traded is open and "daily VWAP" shall be the per share volume-weighted average price of the applicable securities as displayed under the

heading “Bloomberg VWAP” on Bloomberg page “[Ticker Symbol] <equity> AQR” (or any successor thereto if such page it not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day (or if such volume-weighted average price is unavailable on Bloomberg, the volume-weighted average trading price of one share of such securities on such trading day, as determined in good faith by the Board of Directors using a reasonably similar method). The daily VWAP will be determined without regard to afterhours trading or any other trading outside of the regular trading session trading hours.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder’s status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as mutually determined by the Corporation and the Preferred Majority.

(C) The foregoing methods for valuing non-cash consideration to be distributed in connection with a Liquidation Event shall, if definitive agreements governing such Liquidation Event have been approved by the stockholders under the General Corporation Law and Article IV Section B.5(c) below, be superseded by the determination of such value set forth in such definitive agreements governing such Liquidation Event.

(ii) The Corporation shall not have the power to effect a Liquidation Event referred to in Section 2(c)(i)(B) 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 Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with this Section 2. In the event the requirements of this Section 2 are not complied with, the Corporation shall forthwith either:

(A) cause the closing of such Liquidation Event to be postponed until such time as the requirements of this Section 2 have been complied with; or

(B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in Section 2(c)(iv) below.

(iii) This Corporation shall give each holder of record of Preferred Stock written notice of such impending Liquidation Event not later than twenty (20) days prior to the stockholders’ meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation

has given notice of any material changes provided for herein; provided, however, that subject to compliance with the General Corporation Law, such periods may be shortened or waived upon the written consent of the Preferred Majority.

(d) In the event that in connection with a Liquidation Event any portion of the consideration payable to the Corporation or to the stockholders of the Corporation is placed into escrow and/or is payable to the Corporation or the stockholders of the Corporation subject to the satisfaction of contingencies ("**Contingent Consideration**"), then (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Section 2(a) and Section 2(b) above as if the Initial Consideration were the only consideration payable in connection with such Liquidation Event, and (b) any Contingent Consideration which becomes payable to the Corporation or to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Section 2(a) and Section 2(b) above after taking into account payment of the Initial Consideration as part of the same transaction. The Merger Agreement (or any definitive agreement) for a Liquidation Event shall provide that all Proceeds, including but not limited to Contingent Consideration, are distributed in accordance with provisions of this Article IV, Section B.2, including but not limited to this Section 2(d). For purposes of this Section 2(d), consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidation Event shall be deemed to be Contingent Consideration.

(e) In the event of a Liquidation Event referred to in Section 2(c)(i) of Article IV, Section B, if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) unless the Preferred Majority requests otherwise in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after the Liquidation Event, the Corporation shall use the consideration received by the Corporation for such 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, including the Required Preferred Directors), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Liquidation Event, to redeem all outstanding shares of Preferred Stock of each series at a price per share equal to the Preferred Liquidation Amount of the relevant series of Preferred Stock. 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, then the Corporation, in accordance with the preferences and priorities set forth in this Section 2, shall redeem a pro rata portion of each holder's shares of Series C Preferred Stock, Series B Preferred Stock and Series A Preferred Stock at the applicable Liquidation Preference 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 General Corporation Law governing distributions to stockholders. Thereafter, any additional Available Proceeds shall be paid to the holders of shares of Preferred Stock to be redeemed pursuant to this Section 2(e) in an amount up to the Liquidation Preference of such share of Preferred Stock as soon as it may lawfully do so under the Delaware law governing distributions to stockholders. Prior to the distribution or redemption provided for in this Section 2(e), the Corporation shall not expend or dissipate the consideration received for such Liquidation Event, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business. If the Corporation is required by the provisions this Section 2(e) to redeem shares, the redemption shall occur in accordance with the provisions of this Section 2. The date upon which any such redemption is required to be effected pursuant to this Section 2(e) shall be the "**Redemption Date**."

(1) Not less than twenty (20) days prior to the Redemption Date, the Corporation shall send written notice of any redemption pursuant to this Section 2(e) (the "**Redemption Notice**") to each holder of record of Preferred Stock as required by Section 2(e). Each Redemption Notice shall state:

(a) the number of shares held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice (which number shall not be less than the number of shares the Corporation is then required to redeem);

(b) the Redemption Date and the redemption price; and

(c) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed.

(2) If the Corporation receives, on or prior to the 10th day after the date of delivery of the Redemption Notice to a holder of Preferred Stock, written notice from such holder that such holder elects to be excluded from the redemption provided in this Section 2(e), then the shares of Preferred Stock registered on the books of the Corporation in the name of such holder at the time of the Corporation's receipt of such notice shall thereafter be "**Excluded Shares**." Excluded Shares shall not be redeemed or redeemable pursuant to this Section 2(e), whether on such Redemption Date or thereafter.

(3) On or before the applicable Redemption Date, each holder of shares to be redeemed on such Redemption Date, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the

Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the redemption price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares represented by a certificate are redeemed, a new certificate representing the unredeemed shares shall promptly be issued to such holder.

(4) If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the redemption price payable upon redemption of the shares to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares so called for redemption shall not have been surrendered, dividends with respect to such shares shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the redemption price without interest upon surrender of their certificate or certificates therefor. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

3. Redemption. Other than as set forth in Section 2(e) of Article IV, Section B, the Preferred Stock is not redeemable at the option of the holder thereof.

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price for a series of Preferred Stock by the applicable Conversion Price for such series (the conversion rate for a series of Preferred Stock into Common Stock is referred to herein as the "**Conversion Rate**" for such series), determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The initial Conversion Price per share for each series of Preferred Stock shall be the Original Issue Price applicable to such series as of the date of the first issuance and sale of shares of such series of Preferred Stock; provided, however, that the Conversion Prices for the respective series of Preferred Stock shall be subject to adjustment as set forth in Section 4(d) below.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the applicable Conversion Rate at the time in effect for such series of Preferred Stock immediately upon the earlier of (i) the closing of the Corporation's sale of its Common Stock (which shares are to be listed on a U.S. national securities exchange) in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1 under the Securities Act pursuant to which the Corporation receives gross proceeds of at least $100,000,000, prior to deductions for underwriting discounts, commissions and expenses (a "**Qualified Public Offering**") or (ii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the Preferred Majority.

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to voluntarily convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the applicable series of Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. This Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, (i) a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) a payment in cash, if applicable, of such amount as provided in Section 4(g) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) a payment of all declared but unpaid dividends on the shares of Preferred Stock so converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the persons or entities entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the persons or entities entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. If the conversion is in connection with Automatic Conversion provisions of Section 4(b)(ii) above, such conversion shall be deemed to have been made on the conversion date described in the stockholder consent approving such conversion, and the persons or entities entitled to receive shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holders of such shares of Common Stock as of such date.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Conversion Price for each series of Preferred Stock shall be subject to adjustment from time to time as follows

(i) (A) If the Corporation shall issue, on or after the date that this Amended and Restated Certificate of Incorporation is filed with the Secretary of State of Delaware (the "**Filing Date**"), any Additional Stock (as defined Section 4(d)(ii) below) without consideration or for a consideration per share less than the Conversion Price applicable to a series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price (calculated to the nearest one-tenth of a cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock Outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the

aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock Outstanding immediately prior to such issuance plus the number of shares of such Additional Stock. For purposes of this Section 4(d)(i)(A), the term "**Common Stock Outstanding**" shall mean and include the following: (1) outstanding Common Stock, (2) Common Stock issuable upon conversion of outstanding Preferred Stock, (3) Common Stock issuable upon exercise of outstanding stock options and (4) Common Stock issuable upon conversion, exercise or exchange of other securities directly or indirectly convertible into, or exercisable or exchangeable for, Common Stock. Shares described in (1) through (4) above shall be included whether vested or unvested, whether contingent or non-contingent and whether convertible, exercisable, or exchangeable or not yet convertible, exercisable or exchangeable. In the event that the Corporation issues or sells, or is deemed to have issued or sold, shares of Additional Stock that result in an adjustment to a Conversion Price pursuant to the provisions of this Section 4(d) (the "**First Dilutive Issuance**"), and the Corporation then issues or sells, or is deemed to have issued or sold, shares of Additional Stock in a subsequent issuance other than the First Dilutive Issuance that would result in further adjustment to a Conversion Price within 90 days of the First Dilutive Issuance (a "**Subsequent Dilutive Issuance**") pursuant to the same instruments as the First Dilutive Issuance, then and in each such case upon a Subsequent Dilutive Issuance the applicable Conversion Price for each series of Preferred Stock shall be reduced to the applicable Conversion Price that would have been in effect had the First Dilutive Issuance and each Subsequent Dilutive Issuance all occurred on the closing date of the First Dilutive Issuance.

(B) No adjustment of the Conversion Price for the Preferred Stock shall be made in an amount less than one-tenth of one cent per share. Except to the limited extent provided for in Sections 4(d)(i)(E)(3) and (E)(4) below, no adjustment of such Conversion Price pursuant to this Section 4(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Additional Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Additional Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors, including the Required Preferred Directors, irrespective of any accounting treatment.

(E) In the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for purposes of determining the number of shares of Additional Stock issued and the consideration paid therefor:

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account

potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Sections 4(d)(i)(C) and (d)(i)(D) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if arty, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Sections 4(d)(i)(C) and (d)(i)(D) above).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, the Conversion Prices of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Prices of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Additional Stock deemed issued and the consideration deemed paid therefor pursuant to Sections 4(d)(i)(E)(1) and (2) above shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 4(d)(i)(E)(3) or (4) above.

(ii) "**Additional Stock**" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 4(d)(i)(E) above) by the Corporation on or after the Filing Date other than the following:

(A) shares Common Stock issued by the Corporation up to a maximum amount of 14,711,318 shares (the "**Authorized Plan Amount**"), and options issued by the Corporation to purchase such shares of Common Stock, to employees, independent contractors, officers, or directors of the Corporation pursuant to stock purchase agreements, equity incentive plans or agreements, stock bonus awards, or other incentive stock arrangements approved by the Board of Directors (collectively, "Incentive Equity") (which maximum amount of shares of Common Stock and options therefore includes Incentive Equity outstanding as of the Filing Date); provided, however that any options for such shares that expire or terminate unexercised or any restricted stock repurchased by the Corporation at cost shall not be counted toward such maximum number unless and until such shares are regranted as new stock grants (or as new options); provided, further that the Authorized Plan Amount may otherwise be increased if approved by the Board of Directors, including the approval of the Required Preferred Directors;

(B) capital stock issued by the Corporation, and/or options or warrants issued by the Corporation for capital stock, and the underlying capital stock issued pursuant to exercise, and if applicable, subsequent conversion, thereof to financial institutions, landlords or leasing companies in connection with equipment financing arrangements or lease agreements, if approved, in each instance, by the Board of Directors, including the approval of the Required Preferred Directors;

(C) capital stock issued by the Corporation, and/or options or warrants issued by the Corporation for capital stock, and the underlying capital stock issued pursuant to exercise, and if applicable, subsequent conversion, thereof to other entities in connection with the license of technology or other strategic transactions, if approved, in each instance, by the Board of Directors, including the approval of the Required Preferred Directors;

(D) capital stock issued pursuant to Sections 4(d)(iii) below;

(E) Common Stock issued pursuant to a Qualified Public Offering;

(F) Common Stock issued upon conversion of the Preferred Stock;

(G) Common Stock issued or deemed issued pursuant to Section 4(d)(i)(E) above as a result of a decrease in the Conversion Price of any series of Preferred Stock resulting from the operation of Section 4(d) above;

(H) Series C Preferred Stock issued pursuant to that certain Series C Preferred Stock Purchase Agreement entered into on or about the Filing Date by and among the Company and the investors named therein (the "**Purchase Agreement**"); and

(I) Capital stock issued pursuant to options, warrants or other exercisable or convertible securities outstanding as of the Filing Date pursuant to their terms.

Securities specified in Section 4(e)(ii)(A) through (I) above shall be known herein as "**Exempted Securities**").

(iii) In the event the Corporation should at any time or from time to time after the Filing Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "**Common Stock Equivalents**") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Prices of the Preferred Stock shall be appropriately 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 of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section 4(d)(i)(E) above.

(iv) If the number of shares of Common Stock outstanding at any time after the Filing Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Preferred Stock shall be appropriately 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 outstanding shares.

(v) If the outstanding shares of Preferred Stock or a series of Preferred Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Preferred Stock, the Original Issue Prices of the affected series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. If the outstanding shares of Preferred Stock or a series of Preferred Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Preferred Stock, the Original Issue Prices of the affected series of Preferred Stock in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(e) Other Distributions. In the event the Corporation shall declare a distribution payable in securities of other entities, evidences of indebtedness issued by the Corporation or other persons or entities, assets (excluding cash dividends) or options or rights not referred to in Section 4(d)(iii) above and the provisions of Section 1 do not apply to such a distribution, then, in each such case for the purpose of this Section 4(e), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they

were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, recapitalization or otherwise (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or in Section 2) provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of the Common Stock deliverable upon conversion of such Preferred Stock would have been entitled on such reorganization or recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Preferred Stock after the reorganization or recapitalization to the end that the provisions of this Section 4 (including adjustment of the applicable Conversion Price then in effect and the number of shares issuable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

(g) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock and the aggregate number of shares of Common Stock to be issued to particular stockholders, shall be rounded down to the nearest whole share and the Corporation shall pay in cash the fair market value of any fractional shares as of the time when entitlement to receive such fractions is determined. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such conversion.

(ii) Upon the occurrence of each adjustment or readjustment of any Conversion Price of Preferred Stock pursuant to this Section 4, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of a share of each series of Preferred Stock.

(h) Notices of Record Date. If the Corporation shall propose at any time (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus, (ii) to effect any reclassification or recapitalization of its Common

Stock outstanding involving a change in the Common Stock; or (iii) to voluntarily liquidate or dissolve or to enter into any transaction deemed to be a Liquidation Event, the Corporation shall mail to each holder of Preferred Stock, at least ten (10) days prior to the date on which the record shall be taken for a dividend or distribution, in the case of clause (i), or for a stockholder vote on such matter in the case of clause (ii), and at least twenty (20) days prior to the date on which the record shall be taken for a stockholder vote on such matter in the case of clause (iii), a notice specifying the date on which any such record is to be taken, and the amount and character of such dividend or distribution, in the case of clause (i), or a brief description of the action(s) to be taken, in the cases of clauses (ii) or (iii). Notwithstanding the foregoing, such notice period may be shortened or eliminated upon the written consent of the Preferred Majority.

(i) Reservation of Stock Issuable Upon Conversion. This Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the 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, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, 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.

5. Voting Rights.

(a) General Voting Rights. The holder of each share of Preferred Stock shall have the fight to one (1) vote for each share of Common Stock into which such Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and except as provided by law or in Section 5(b) below with respect to the election of directors by the separate class vote of the holders of Common Stock, shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Any fractional voting rights available on an as-converted to Common Stock basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) Voting for the Election of Directors.

(i) As long as at least twenty percent (20%) of the shares of Series A Preferred Stock originally issued are then outstanding, as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like, the holders of the then outstanding shares of Series A Preferred Stock shall be entitled to elect one (1) director of the Corporation at any election of directors (the "**Series A Director**"). As long as at least twenty

percent (20%) of the shares of Series B Preferred Stock originally issued are then outstanding, as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like, the holders of the then outstanding shares of Series B Preferred Stock shall be entitled to elect two (2) directors of the Corporation at any election of directors (the "**Series B Directors**"). As long as at least twenty percent (20%) of the shares of Series C Preferred Stock originally issued are then outstanding, as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like, the holders of the then outstanding shares of Series C Preferred Stock shall be entitled to elect one (1) director of the Corporation at any election of directors (the "**Series C Director**" and collectively with the Series B Director and the Series A Director, the "**Preferred Directors**"). As used herein "**Required Preferred Directors**" shall mean a majority of the Preferred Directors, including in all cases the Series A Director. The holders of outstanding Common Stock, voting as a separate class, shall be entitled to elect one (1) director of the Corporation at any election of directors. The holders of Preferred Stock and the holders of Common Stock, voting together as a single class and on an as converted to Common Stock basis, shall be entitled to elect any remaining directors of the Corporation.

(ii) Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Amended and Restated Certificate of Incorporation, and any vacancy created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock or different classes or series voting separately or together, the holders of shares of such class, series or different classes or series voting separately (or together, as the case may be), may override the Board of Directors' action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Corporation's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders, pursuant to the terms and conditions of that certain Amended and Restated Voting Agreement entered into as of or around the Filing Date by and among the Corporation and the Stockholders named therein, as such may be amended in accordance therewith from time to time (the "**Voting Agreement**"); provided, however, for administrative convenience, the initial Series C Director may also be appointed by the Board of Directors in connection with the approval of the initial issuance of Series C Preferred Stock without a separate action by the holders of Preferred Stock. Any director may be removed during his or her term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock (or the different classes or series voting separately, or together, as the case may be) 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, and any vacancy thereby created may be filled by the holders of that class or series of stock (or different classes or series voting separately, or together as the case may be) represented at the meeting or pursuant to written consent, pursuant to the terms of the Voting Agreement.

(c) Class Protective Provisions. So long as at least ten percent (10%) of the shares of the Preferred Stock originally issued remains outstanding, as adjusted for any

stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like, the Corporation shall not, by merger, amendment, recapitalization, reorganization, consolidation or otherwise, without first obtaining the prior approval, by vote or written consent, as provided by law, of the Preferred Majority, 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:

(i) amend, alter, repeal, or change the rights, preferences or privileges of the Preferred Stock, including any series thereof;

(ii) increase or decrease (other than by redemption pursuant to Section 2(e) of Article IV, Section B hereof or conversion) the total number of authorized or designated shares of Common Stock or Preferred Stock, or any series thereof;

(iii) create, authorize, designate or issue any new class or series of capital stock ranking on parity with or senior to the then outstanding shares Preferred Stock in right of redemption, liquidation preference, voting or dividends, or create, authorize, designate or issue any options, warrants, other rights or equity securities exercisable, convertible and/or exchangeable for such capital stock, or once authorized, designated or issued, increase the amount of such authorized, designated or issued amounts; provided that, for clarity, the issuance of any authorized but unissued shares of Series C Preferred Stock pursuant to the terms the Purchase Agreement shall not be deemed an issuance of any new class or series of capital stock for purposes of this Amended and Restated Certificate of Incorporation;

(iv) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal, at no greater than the original purchase price thereof;

(v) authorize or enter into an agreement for, nor consummate any transaction or series of transactions that is a Liquidation Event;

(vi) amend, alter, repeal, or change any provision of this Amended and Restated Certificate of Incorporation, as may be amended from time to time pursuant to its terms, or of the Corporation's bylaws, as may be amended from time to time pursuant to its terms (the "Bylaws") in any manner adverse to the Preferred Stock, or any series thereof;

(vii) increase or decrease the authorized number of directors of the Corporation;

(viii) pay or declare any dividend on any shares of Common Stock or Preferred Stock, except as provided for in Section 1.(a) above;

(ix) undertake any act or enter into any agreement that could result in the Corporation's issuance of any debt instrument (or series of related debt instruments) in excess of $1,000,000 or in cumulative debt in excess of $4,000,000, unless provided for in the Corporation's budget as approved by the Board of Directors;

(x) authorize, enter into or consummate any transaction in which any of the Corporation's directors or officers or any of their respective relatives or affiliates is interested, unless such transaction has been approved by the Board of Directors, including the approval of a majority of the directors who are not interested in such transaction, and, if at least one Preferred Director is disinterested, the approval of at least one such Preferred Director; or

(xi) undertake any act or enter into any agreement that could result in the Corporation's issuing shares of its capital stock to acquire all or substantially all of the equity securities of another entity or all or substantially all of the assets of any other entity and the number of shares of capital stock of the Corporation so issued or issuable would exceed ten percent (10%) of the shares of the Corporation's capital stock (including all outstanding securities of the Corporation on as exercised and as converted to Common Stock basis, plus the amount of any unallocated shares of Common stock in any incentive plan of the Corporation) outstanding immediately prior to such issuance.

(d) Series Protective Provisions. So long as at least twenty percent (20%) of the originally issued shares of a series of Preferred Stock remain outstanding, as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like, this Corporation shall not, by merger, amendment, recapitalization, reorganization, consolidation or otherwise, without first obtaining the prior approval, by vote or written consent, as provided by law, of the holders in the aggregate of a majority of the then outstanding shares of such series of Preferred Stock, 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:

(i) amend, alter, repeal, or change any provision of this Amended and Restated Certificate of Incorporation, as may be amended from time to time pursuant to its terms, in any manner that affects such series adversely, but shall not so affect the entire class of Preferred Stock; or

(ii) increase or decrease the authorized number of shares of such series of Preferred Stock (other than decreases resulting from the conversion of Preferred Stock to Common Stock).

6. Status of Converted Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by this Corporation. The Amended and Restated Certificate of Incorporation of this Corporation shall be appropriately amended to effect the corresponding reduction in this Corporation's authorized capital stock.

7. Notices. Any notice required by the provisions of this Article IV(B) to be given to the holders of shares of Preferred Stock shall be deemed given (i) if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of this Corporation, (ii) when such notice is provided by confirmed facsimile if sent during normal business hours of the recipient; or if not, then on the next business day, or (iii) if such notice is provided in another manner then permitted by the General Corporation Law.

C. Common Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock are as set forth below in this Article IV(C) and are, in each case, subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of this Corporation legally available therefor, any dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of this Corporation, the assets of this Corporation shall be distributed as provided in Section 2 of Article IV(B) hereof.

3. Redemption. The Common Stock is not redeemable at the option of the holder.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote for each such share, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of this Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law, provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation or pursuant to the General Corporation Law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Amended and Restated Certificate of Incorporation) the affirmative vote of the holders of a majority of the stock of this Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

5. Directors. The holders of outstanding Common Stock shall be entitled to elect directors as provided in Section 5(b) of Article IV(B) above.

ARTICLE V

Except as otherwise provided in this Amended and Restated Certificate of Incorporation, 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.

ARTICLE VI

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.

ARTICLE VII

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VIII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) 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.

ARTICLE IX

To the fullest extent permitted by the General Corporation Law, a director of this Corporation shall not be personally liable to this 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 IX to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any amendment, repeal or modification of the foregoing provisions of this Article IX by the stockholders of this Corporation shall not adversely affect any right or protection of a director of this Corporation existing at the time of, or increase the liability of any director of this Corporation with respect to any acts or omissions of such director occurring prior to, such amendment, repeal or modification.

ARTICLE X

Subject to any additional vote required by this Fourth Amended and Restated Certificate of Incorporation, this Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XI

This Corporation shall have the power to indemnify (and advance expenses to), to the fullest extent permitted by the General Corporation Law, as it presently exists or may hereafter be amended from time to time, any person or entity who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he, she or it is or was a director, officer, employee or agent of this Corporation or is or was serving at the request of this Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or entity in connection with any such Proceeding, including in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law of the State of Delaware.

Any amendment, repeal or modification of the foregoing provisions of this Article XI shall not adversely affect any right or protection of a director, officer, employee, agent or other person or entity existing at the time of, or increase the liability of any such person or entity with respect to any acts or omissions of such person occurring prior to, such amendment, repeal or modification.

ARTICLE XII

This Corporation renounces any interest or expectancy of this Corporation in, or in being offered an opportunity to participate in, an 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 this Corporation who is not an employee of this Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of this Corporation or any of its subsidiaries (collectively, "**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 this Corporation; provided, that nothing herein is intended to diminish the fiduciary duties of any director of this Corporation. Notwithstanding anything to the contrary contained elsewhere in this Fourth Amended and Restated Certificate of Incorporation, the affirmative vote of the Preferred Majority will be required to amend or repeal, or to adopt any provisions inconsistent with this Article XII.

ARTICLE XIII

Unless this 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 this Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of this Corporation to this Corporation or this Corporation's stockholders, (iii) any action asserting a claim against this Corporation, its directors, officers or employees arising pursuant to any provision of the General Corporation Law or this Corporation's Amended and Restated Certificate of Incorporation or Bylaws or (iv) any action asserting a claim against this Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article XIII 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 XIII (including, without limitation, each portion of any sentence of this Article XIII 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.

* * *

THIRD: The foregoing amendment and restatement was approved by the holders of the requisite number of shares of said corporation in accordance with Section 228 of the General Corporation Law.

FOURTH: That said Amended Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of the Corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 141(f), 242 and 245 of the General Corporation Law.

[Signature page follows.]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Corporation on this 18th day of September.

By: */s/ Laura Shawver*
Laura Shawver
President and Chief Executive Officer

BYLAWS
OF
SILVERBACK THERAPEUTICS, INC.

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BYLAWS
OF
SILVERBACK THERAPEUTICS, INC.

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The corporate seal, if adopted by the Board of Directors, shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the principal office of the corporation required to be maintained pursuant to Section 2 hereof.

Section 5. Annual Meeting. The annual meeting of stockholders shall be held for the election of directors each year at such place, date and time as shall be designated by the Board of Directors. Any other proper business may be transacted at the annual meeting. If no date for the annual meeting is established or said meeting is not held on the date established as provided above, a special meeting in lieu thereof may be held or there may be action by written consent of the stockholders on matters to be voted on at the annual meeting, and such special meeting or written consent shall have for the purposes of these By laws or otherwise all the force and effect of an annual meeting.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board, (ii) the President or Chief Executive

Officer, (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (iv) by the holders of shares entitled to cast not less than twenty percent (20%) of the votes at the meeting and shall be held at such place, on such date, and at such time as the Board of Directors shall fix. At any time or times that the corporation is subject to Section 2115(b) of the California General Corporation Law ("**CGCL**"), stockholders holding five percent (5%) or more of the outstanding shares shall have the right to call a special meeting of stockholders as set forth in Section 18(c) herein.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Chairman of the Board, the President or Chief Executive Officer, or the Secretary of the corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than thirty-five (35) nor more than one hundred twenty (120) days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. If the notice is not given within sixty (60) days after the receipt of the request, the person or persons properly requesting the meeting may set the time and place of the meeting and give the notice. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

Section 7. Notice of Meetings. Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business

until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the vote cast in all matters other than the election of directors, the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of the votes cast by the holders of shares of such class or classes or series shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares casting votes. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (i) if only one (1) votes, his act binds all; (ii) if more than one (1) votes, the act of the majority so voting binds all; (iii) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the Delaware General Corporation Law, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of Section 11(c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, 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 any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof and may be inspected by any stockholder who is present.

Section 13. Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner herein required, written consents signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. If the action which is consented to is such as would have required the filing of a certificate under any section of the Delaware General Corporation Law if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the Delaware General Corporation Law.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board, or, if a Chairman has not been appointed or is absent, the President or Chief Executive Officer, or, if

such officer is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President or Chief Executive Officer, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. Except as otherwise provided by the Certificate of Incorporation, the authorized number of directors of the corporation shall be fixed by the Board of Directors from time to time. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 16. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Term of Directors.

(a) Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(b) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless, at the time of such election, the corporation is subject to Section 2115(b) of the CGCL. During such time or times that the corporation is subject to

Section 2115(b) of the CGCL, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

Section 18. Vacancies.

(a) Unless otherwise provided in the Certificate of Incorporation, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

(b) If at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Delaware Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in offices as aforesaid, which election shall be governed by Section 211 of the Delaware General Corporation Law

(c) At any time or times that the corporation is subject to §2115(b) of the CGCL, if, after the filling of any vacancy, the directors then in office who have been elected by stockholders shall constitute less than a majority of the directors then in office, then

(i) any holder or holders of an aggregate of five percent (5%) or more of the total number of shares at the time outstanding having the right to vote for those directors may call a special meeting of stockholders; or

(ii) the Superior Court of the proper county shall, upon application of such stockholder or stockholders, summarily order a special meeting of the stockholders, to be held to elect the entire board, all in accordance with Section 305(c) of the CGCL, the term ofoffice of any director shall terminate upon that election of a successor. (CGCL §305 (c)).

Section 19. Resignation. Any director may resign at any time by delivering hiswritten resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have powerto fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for theunexpired portion of the term of the Director whose place shall be vacated and until hissuccessor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to any limitations imposed by applicable law and the Certificate of Incorporation (and assuming the corporation is not subject to Section 2115 of the CGCL), the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of voting stock of the corporation entitled to vote at an election of directors or (ii) without cause by the affirmative vote of the holders of a majority of the voting power of all then-outstandingshares of voting stock of the corporation, entitled to vote at an election of directors.

(b) Subject to the rights of holders of any series of Preferred Stock to remove directors, during such time or times that the corporation is subject to Section 2115(b) of theCGCL, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstandingshares entitled to vote on such removal; provided, however, that unless the entire Board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if suchaction is taken by written consent, all shares entitled to vote were voted) and the entire numberof directors authorized at the time of such director's most recent election were then beingelected.

Section 21. Meetings of the Board of Directors.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held immediately before or after the annual meeting of stockholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such otherbusiness as may lawfully come before it.

(b) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at

any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors. No formal notice shall be required for a regular meeting of the Board of Directors.

(c) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and placewithin or without the State of Delaware whenever called by the Chairman of the Board, the President or Chief Executive Officer, or any two of the directors.

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(e) Notice of Meetings. Notice of the time and place of all special meetingsof the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting, or sent in writing to each director by first class mail, postage prepaid, at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of anybusiness because the meeting is not lawfully called or convened.

(f) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum bepresent and if, either before or after the meeting, each of the directors not present shall sign a written waiver of notice. All such waivers shall be filed with the corporate records or made apart of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number andexcept with respect to indemnification questions arising under Section 42 hereof, for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed fromtime to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present,all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificateof Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if allmembers of the Board of Directors or committee, as the case may be, consent thereto in writingor by electronic transmission, and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

Section 24. Fees and Compensation. Directors shall be entitled to suchcompensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, ifany, for attendance at each regular or special meeting of the Board of Directors and at anymeeting of a committee of the Board of Directors. Nothing herein contained shall be construedto preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board ofDirectors shall have and may exercise all the powers and authority of the Board of Directors inthe management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall havethe power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylawof the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. Each member of a committee of the Board of Directors shall servea term on the committee coexistent with such member's term on the Board of Directors. TheBoard of Directors, subject to any requirements of any outstanding series of Preferred Stock, the provisions of subsections (a) or (b) of this Bylaw may at any time increase or decrease thenumber of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for anyreason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members

of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint anothermember of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board, or, if a Chairman has not been appointed or is absent, the President or Chief Executive Officer, or if such officer is absent, the most senior Vice President, (if a director) or, in theabsence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary directed to do so by the President or Chief Executive Officer, shall act as secretary of themeeting.

ARTICLE V

OFFICERS

Section 27. Election of Officers.

(a) Election and Qualifications. The officers of the corporation shall include, if and when designated by the Board of Directors, a Chief Executive Officer, a President, a Secretary, a Chief Financial Officer and such other officers, including, but not limited to, a Chairman of the Board, one or more Vice Presidents, a Treasurer, and Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. Any Vice President, Assistant Treasurer or Assistant Secretary, respectively, may exercise any of the powers of the President, the Chief Financial Officer or the Secretary, respectively, as directed by the Board of Directors, and shall perform such other duties as are imposed upon him or her by theseBylaws or the Board of Directors.

(b) Term of Office and Compensation. The term of office and salary of each of said officers and the manner and time of the payment of such salaries shall be fixed and determined by the Board of Directors and may be altered by said Board of Directors from time to time at its pleasure, subject to the rights, if any, of any officer under any contract of employment. Any officer may resign at any time upon written notice to the corporation, without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. If any vacancy occurs in any office of the corporation, the Board of Directors may appoint a successor to fill such vacancy.

Section 28. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at anytime by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board. The Chairman of the Board, when present, shall preside at all meetings of the stockholders and the Board of Directors. TheChairman of the Board shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President or Chief Executive Officer, then the Chairman of the Board shall also serve as the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in Section 28(c).

(c) Duties of Chief Executive Officer; President. The Chief Executive Officer and/or President shall preside at all meetings of the stockholders and at all meetings ofthe Board of Directors, unless the Chairman of the Board has been appointed and is present.Unless some other officer has been elected Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the controlof the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant if no other officer has been elected Chief Executive Officer. The Vice Presidents shall perform other duties commonly incident to their office and shall also performsuch other duties and have such other powers as the Board of Directors or the President or Chief Executive Officer shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in

the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him inthese Bylaws and other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.The President or Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and eachAssistant Secretary shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President or Chief Executive Officer shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shallkeep or cause to be kept the books of account of the corporation in a thorough and propermanner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President or Chief Executive Officer. TheChief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform otherduties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President or Chief Executive Officer shalldesignate from time to time. The President or Chief Executive Officer may direct the Treasureror any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief FinancialOfficer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to his office and shall also perform such otherduties and have such other powers as the Board of Directors or the President or Chief Executive Officer shall designate from time to time.

Section 29. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any time by giving writtennotice to the Board of Directors, to the President or Chief Executive Officer, or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shallbecome effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall bewithout prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, eitherwith or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 32. Execution of Corporate Instruments. The Board of Directors may, inits discretion, determine the method and designate the signatory officer or officers, or otherperson or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of suchauthorization, by the Chairman of the Board, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 34. Form and Execution of Certificates. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board, or the President or Chief Executive Officer or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the powers, designations, preferences, and rights, and the limitations or restrictions of the shares authorized to be issued or shall, except as otherwise required by law, set forth on the face or back a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating,

optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated oncertificates pursuant to this section or otherwise required by law or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requeststhe powers, designations, preferences and relative participating, optional or other special rightsof each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 35. Lost Certificates. A new certificate or certificates shall be issuedin place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in suchform and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 36. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be madeonly upon its books by the holders thereof, in person or by attorney duly authorized, and uponthe surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the Delaware General Corporation Law.

Section 37. Fixing Record Dates.

(a) 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, the Board of Directors may fix, in advance, 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 whichrecord date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10)days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting ofstockholders shall be at the close of business on the day next preceding the day on which noticeis given, or if notice is waived, at the close of business on the day next preceding the day onwhich the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the recorddate is adopted by the Board of Directors, and which date shall not be more than ten (10) daysafter the date upon which the resolution fixing the record date is adopted by the Board ofDirectors. Any stockholder of record seeking to have the stockholders authorize or takecorporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the dateon which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by deliveryto its registered office in the State of Delaware, its principal place of business or an officer oragent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed bythe Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or thestockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any suchpurpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 38. Registered Stockholders. The corporation shall be entitled to recognizethe exclusive right of a person registered on its books as the owner of shares to receivedividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

NOTICES

Section 39. Notices.

(a) Notice to Stockholders. Whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, it shall be given in writing, timely and

duly deposited in the United States mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent, or facsimile, telegraph or telex, or by electronic mail or other electronic means.

(b) Notice to Directors. Subject to Section 21(e), any notice required to be given to any director may be given by the method stated in Section 39(a), or by overnightdelivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed withrespect to the class of stock affected, specifying the name and address or the names andaddresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Time Notices Deemed Given. All notices given by mail or by overnight delivery service, as above provided, shall be deemed to have been given as at the time ofmailing, and all notices given by facsimile, telex or telegram shall be deemed to have been given as of the sending time recorded at time of transmission.

(e) Methods of Notice. It shall not be necessary that the same method ofgiving notice be employed in respect of all directors, but one permissible method may beemployed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(f) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or berequired to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive suchnotice.

(g) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(h) Notice to Person with Undeliverable Address. Whenever notice isrequired to be given, under any provision of law or the Certificate of Incorporation or Bylaws of the corporation, to any stockholder to whom (i) notice of two consecutive annual meetings, andall notices of meetings or of the taking of action by written consent without a meeting to such person during the period between such two consecutive annual meetings, or (ii) all, and at least two, payments (if sent by first class mail) of dividends or interest on securities during a twelvemonth period, have been mailed addressed to such person at his address as shown on the records of the corporation and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the corporation a written notice setting forth his then current address, the requirement that notice be given to such person shall be reinstated. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to this paragraph.

ARTICLE IX

AMENDMENTS

Section 40. Amendments. These Bylaws may be amended or repealed and newBylaws adopted by the stockholders entitled to vote. The Board of Directors shall also have the power, if such power is conferred upon the Board of Directors by the Certificate ofIncorporation, to adopt, amend, or repeal Bylaws (including, without limitation, the amendment of any Bylaw setting forth the number of Directors who shall constitute the whole Board of Directors).

ARTICLE X

MISCELLANEOUS

Section 41. Annual Report. Provided that this corporation has 100 or fewer stockholders, the making of annual reports is dispensed with and the requirement that suchannual reports be made to stockholders is expressly waived, except as may be directed from time to time by the Board of Directors or the Chief Executive Officer or President.

Section 42. Indemnification. Every person who was or is a party or is threatenedto be made a party to or is involved in any action, suitor proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the General Corporation Law of the State of Delaware from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred orsuffered by him in connection therewith. The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they

are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Bylaw.

The Board of Directors may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

The Board of Directors may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to provide at all times the fullest indemnification permitted by the General Corporation Law of the State of Delaware.

Exhibit 4.2

EXECUTION VERSION

SILVERBACK THERAPEUTICS, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Amended and Restated Investors' Rights Agreement (this "**Agreement**") is made as of September 22, 2020 (the "**Effective Date**"), by and among Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**"), the persons and entities listed on Exhibit A hereto (each, an "**Investor**" and collectively, the "**Investors**").

RECITALS

A. The Company and certain of the Investors have entered into that certain Series C Preferred Stock Purchase Agreement of even date herewith (as the same may be amended and restated from time to time, the "**Series C Purchase Agreement**"), which provides for, among other things, the purchase by the Investors of shares of the Company's Series C Preferred Stock, par value $0.0001 per share (the "**Series C Preferred Stock**");

B. A condition to the obligations of such Investors under the Series C Purchase Agreement to purchase the Series C Preferred Stock is that the Company and the Investors enter into this Agreement;

C. The Company and those Investors who own shares of the Company's Series B Preferred Stock, par value $0.0001 per share (the "**Series B Preferred Stock**") and, in certain cases also own shares of the Company's Series A Preferred Stock, par value $0.0001 per share (the "**Series A Preferred Stock**"), are party to that certain Amended and Restated Investors' Rights Agreement, dated as of March 4, 2020 (the "**Prior Agreement**"); and

D. In order to further induce the Investors to purchase the Series C Preferred Stock, the undersigned Investors who own shares of the Company's Series B Preferred Stock and Series A Preferred Stock and the Company desire to amend and restate in its entirety the Prior Agreement and to accept the rights and obligations created pursuant hereto in lieu of their rights and obligations under the Prior Agreement.

NOW, **THEREFORE**, in consideration of the mutual promises and covenants set forth herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" means, with respect to any specified person or entity, any other person or entity who, directly or indirectly, controls, is controlled by, or is under common control with such person or entity, including without limitation any general partner, managing member, officer, principal, director or trustee of such party, or any venture capital fund, registered investment company, investment fund, managed investment account or other fund now or hereafter existing that is controlled by one or more general partners, managing members or

investment advisers of, or shares the same management or advisory company (or stockholder or member thereof) or investment adviser with, such person or entity; provided that with respect to a person or entity that is either an individual or an irrevocable or revocable trust established for such individual or for such individual and such individual's family, spouse or domestic partner, an "Affiliate" shall mean a family member, spouse or domestic partner of such individual, and includes, in the case of a trust, such individual.

(b) "**Board**" means the Company's Board of Directors.

(c) "**CFIUS**" the Committee on Foreign Investment in the United States.

(d) "**CFIUS Investor**" means any Investor to the extent that, in connection with the exercise of such Investor's right of first refusal pursuant to Section 4 below a notice or declaration is required to be filed with CFIUS.

(e) "**Commission**" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(f) "**Common Stock**" means the Common Stock, par value $0.0001 per share, of the Company.

(g) "**Election Period**" shall have the meaning set forth in Section 4.4 hereof.

(h) "**Excess Securities**" shall have the meaning set forth in Section 4.4 hereof.

(i) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(j) "**Fund**" shall have the meaning set forth in Section 3.3 hereof.

(k) "**Holder**" means any Investor who holds Registrable Securities and any other holder of Registrable Securities to whom the registration rights conferred by this Agreement have been duly and validly transferred in accordance with Section 2.12 of this Agreement.

(l) "**Indemnified Party**" shall have the meaning set forth in Section 2.6(c) hereof.

(m) "**Indemnifying Party**" shall have the meaning set forth in Section 2.6(c) hereof.

(n) "initial Public Offering" means the closing of the Company's first bona fide, firm commitment underwritten public offering of the Company's Common Stock registered under the Securities Act.

(o) "**Initiating Holders**" means any Holder or Holders who in the aggregate hold not less than thirty percent (30%) of the Registrable Securities then outstanding.

(p) "**Liquidation Event**" shall have the meaning set forth in the Company's Restated Certificate.

(q) "**Major Investor**" means any Investor that holds not less than 2,900,000 shares of Series C Preferred Stock or not less than 1,500,000 shares of Series A Preferred Stock and Series B Preferred Stock, on a combined basis, as shall be adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such applicable series of Preferred Stock. For clarity, at such time as any Investor who previously held the requisite number of shares of Preferred Stock set forth above in this subsection (q) no longer holds at least such amount of Preferred Stock, such Investor shall lose its status as a Major Investor.

(r) "**New Securities**" shall have the meaning set forth in Section 4.2 hereof.

(s) "**Other Selling Stockholders**" means persons other than Holders who, by virtue of agreements with the Company, are entitled to include their Other Shares in certain registrations hereunder.

(t) "**Other Shares**" means shares of Common Stock, other than Registrable Securities with respect to which registration rights have been granted.

(u) "**Preferred Director**" shall have the meaning set forth in the Restated Certificate.

(v) "**Preferred Majority**" means the holders in the aggregate of a majority of the then outstanding shares of Preferred Stock, voting together as a single class, on as converted to Common Stock basis.

(w) "**Preferred Stock**" means, collectively, all shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and any other shares of Preferred Stock of the Company whether or not authorized as of the Effective Date.

(x) "**Pro Rata Amount**" shall have the meaning set forth in Section 4.1 hereof.

(y) "**Qualified Public Offering**" shall have the meaning set forth in the Restated Certificate.

(z) "**Registrable Securities**" means (i) shares of Common Stock issued or issuable pursuant to the conversion of the Shares, (ii) any shares of Common Stock, or any shares of Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, in each case, acquired by the Investors after the date hereof, and (iii) any shares of Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) or (ii) above; *provided*, *however*, that Registrable Securities shall not include any shares of Common Stock described in clauses (i), (ii) or (iii) above which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor's rights under this Agreement are not validly assigned in accordance with this Agreement; and *provided*, *further*, *however*, that Registrable Securities shall not include any shares of Common Stock described in clauses (i), (ii) or (iii) above as to which rights have terminated pursuant to Section 2.14 hereof.

(aa) "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

(bb) The terms "**register**," "**registered**" and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

(cc) "**Registration Expenses**" means all expenses incurred in effecting any registration pursuant to this Agreement or an Initial Public Offering, including, without limitation, all registration, qualification, and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one special counsel for the Holders (selected by the Holders of a majority of the Registrable Securities to be registered) (in each case, not to exceed $35,000), blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses, fees and disbursements of other counsel for the Holders and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(dd) "**Restated Certificate**" means the Company's Amended and Restated Certificate of Incorporation (as may be amended or restated from time to time).

(ee) "**Restricted Securities**" means any Registrable Securities required to bear the first legend set forth in Section 2.8(c) hereof.

(ff) "**ROFR Holder**" shall have the meaning set forth in Section 4.1 hereof.

(gg) "**Rule 144**" means Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(hh) "**Rule 145**" means Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(ii) "**Rule 415**" means Rule 415 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(jj) "**Securities Act**" means the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(kk) "**Selling Expenses**" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of one special counsel to the Holders included in Registration Expenses).

(ll) "**Series A Preferred Stock**" shall have the meaning ascribed thereto in the Recitals hereof.

(mm) "**Series B Preferred Stock**" shall have the meaning ascribed thereto in the Recitals hereof.

(nn) "**Series C Purchase Agreement**" shall have the meaning ascribed thereto in the Recitals hereof.

(oo) "**Shares**" means the Preferred Stock.

(pp) "**Voting Agreement**" means that certain Amended and Restated Voting Agreement entered into by and among the Company and the Stockholders named therein as of even date herewith, as such may be amended or restated from time to time in accordance with the provisions thereof

(qq) "**Withdrawn Registration**" means a forfeited demand registration under Section 2.1 in accordance with the terms and conditions of Section 2.4.

2. Registration Rights.

2.1 Requested Registration.

(a) Registration. Subject to the conditions set forth in this Section 2.1, if the Company shall receive from Initiating Holders a written request signed by such Initiating Holders that the Company effect any registration with respect to all or a part of the Registrable Securities (such request shall state the number of shares of Registrable Securities proposed to be disposed of by such Initiating Holders), the Company will:

(i) promptly give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, but in any event within ninety (90) days after the Company's receipt of such written request, file and use its commercially reasonable efforts to effect such registration (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) and to permit or facilitate the sale and

distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within thirty (30) days after such written notice from the Company is mailed or delivered.

(b) Limitations on Requested Registration. The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 2.1:

(i) Prior to the earlier of (A) the four (4) year anniversary of the date of this Agreement or (B) six (6) months following the effective date of the first registration statement filed by the Company covering an underwritten offering of any of its securities to the general public (or the subsequent date on which all market stand-off agreements applicable to the offering have terminated, not to exceed an additional thirty-four (34) days);

(ii) If the Company has not yet offered securities pursuant to a registration statement and the Initiating Holders propose to sell less than 20% of the Registrable Securities held by such Initiating Holders unless such lesser number of Registrable Securities proposed to be sold by the Initiating Holders is expected to result in aggregate proceeds of at least $20,000,000 (or if after the Initial Public Offering, Registrable Securities with an anticipated aggregate offering price of at least $2,000,000);

(iii) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(iv) After the Company has initiated two (2) such registrations pursuant to this Section 2.1 (counting for these purposes only (x) registrations which have been declared or ordered effective and pursuant to which securities have been sold, and (y) Withdrawn Registrations);

(v) During the period that is thirty (30) days prior to the Company's good faith estimate of the date of filing of, and ending on a date ninety (90) days (or one hundred eighty (180) days, in the case of an Initial Public Offering) after the effective date of a Company-initiated registration (or ending on the subsequent date on which all market stand-off agreements applicable to the offering have terminated, not to exceed an additional thirty-four (34) days); provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or

(vi) If the Initiating Holders propose to dispose of shares of Registrable Securities that may be registered on Form S-3 pursuant to a request made under Section 2.3 hereof.

(c) Deferral. If (i) in the good faith judgment of the Board, the filing of a registration statement covering the Registrable Securities would (x) materially interfere with a

significant acquisition, corporate reorganization, or other similar transaction involving the Company; (y) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act, and the Board concludes, as a result, that it is in the best interests of the Company to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the President (or other comparable senior executive officer) of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, in the best interests of the Company to defer the filing of such registration statement, then (in addition to the limitations set forth in Section 2.1(b)(v) above) the Company shall have the right to defer such filing for a period of not more than one hundred (100) days after receipt of the request of the Initiating Holders, and, *provided further*, that the Company shall not defer its obligation in this manner more than two (2) times in any twelve-month period.

(d) Other Shares. The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Section 2.1(e), include Other Shares, and may include securities of the Company being sold for the account of the Company.

(e) Underwriting. If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as part of their request made pursuant to this Section 2.1 and the Company shall include such information in the written notice given pursuant to Section 2.1(a)(i). In such event, the right of any Holder to include all or any portion of its Registrable Securities in a registration pursuant to this Section 2.1 shall be conditioned upon such Holder's participation in a underwriting. In such case, if the Company shall request inclusion in any registration pursuant to Section 2.1 of securities being sold for its own account, or if other persons shall request inclusion in any registration pursuant to Section 2.1, the Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and such offer shall be conditioned upon the participation of the Company or such other persons in such underwriting and the inclusion of the Company's and such person's other securities of the Company and their acceptance of the further applicable provisions of this Section 2 (including Section 2.10). The Company shall (together with all Holders and other persons proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by the Initiating Holders holding in the aggregate of a majority of the Registrable Securities held by the Initiating Holders, which underwriters are reasonably acceptable to the Company; provided, however, that the liability of each holder as set forth therein shall be several and not joint.

Notwithstanding any other provision of this Section 2.1, if the underwriters advise the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of Registrable Securities and Other Shares that may be so included shall be allocated as follows: (i) first, among all Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, assuming conversion (provided that if', by operation of this clause (i), the number of Registrable Securities to be so included is reduced to less than

50% of the aggregate number of Registrable Securities so requested by all Holders to be included, then the Holders in the aggregate of a majority of the Registrable Securities; may withdraw the request for such registration and, in such a case, (A) such registration shall not be counted as a registration "initiated" by the Company for purposes of Section 2.1(b)(iv) or "effected" by the Company for purposes of Section 2.3(b)(iii) and (B) the Company shall bear the Registration Expenses of such registration notwithstanding any provision of Section 2.4 to the contrary); (ii) second, among all Other Selling Stockholders requesting to include Other Shares in such registration statement based on the pro rata percentage of Other Shares held by such Other Selling Stockholders, assuming conversion; and (iii) third, to the Company, which the Company may allocate, at its discretion, for its own account, or for the account of other stockholders or employees of the Company. If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or, if applicable, the Initiating Holders. The securities so excluded shall also be withdrawn from registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall also be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 2.1(e), then the Company shall then offer to all Holders and Other Selling Stockholders who have retained rights to include securities in the registration the right to include additional Registrable Securities or Other Shares in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among such Holders and Other Selling Stockholders requesting additional inclusion, as set forth above.

2.2 Company Registration.

(a) Registration. If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration pursuant to Section 2.1 or Section 2.3, a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities only, or a registration relating to a corporate reorganization or other Rule 145 transaction, the Company will:

(i) promptly give written notice of the proposed registration to all Holders; and

(ii) use its commercially reasonable efforts include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 2.2(b) below, and in any underwriting involved therein, all of such Registrable Securities as are specified in a written request or requests made by any Holder or Holders received by the Company within ten (10) days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Holder's Registrable Securities.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 2.2(a)(i). In such event, the right of any Holder to registration pursuant to this Section 2.2 shall be conditioned upon such

Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company, the Other Selling Stockholders and other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 2.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registrable Securities to be included in, the registration and underwriting, the Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated, as follows: (i) first, to the Company for securities being sold for its own account; (ii) second, to the Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, assuming conversion; and (iii) third, to the Other Selling Stockholders requesting to include Other Shares in such registration statement based on the pro rata percentage of Other Shares held by such Other Selling Stockholders, assuming conversion. Notwithstanding the foregoing, no such reduction shall reduce the value of the Registrable Securities of the Holders included in such registration below twenty-five percent (25%) of the total value of securities included in such registration, unless such offering is an Initial Public Offering and such registration does not include shares of any Other Selling Stockholder (excluding shares registered for the account of the Company), in which event any or all of the Registrable Securities of such Holders may be excluded.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

2.3 Registration on Form S-3.

(a) Request for Form S-3 Registration. After its Initial Public Offering, the Company shall use its commercially reasonable efforts to qualify for registration on Form S-3 or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 2 and subject to the conditions set forth in this Section 2.3, if the Company shall receive from a Holder or Holders of Registrable Securities a written request that the Company effect any registration on

Form S-3 or any similar short form registration statement with respect to all or part of the Registrable Securities (such request shall state the number of shares of Registrable Securities to be disposed of and the intended methods of disposition of such shares by such Holder or Holders), the Company will take all such action with respect to such Registrable Securities as required by Sections 2.1(a)(î) and 2.1(a)(ii).

(b) Limitations on Form S-3 Registration. The Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 2.3:

(i) In the circumstances described in any of Sections 2.1(b)(i), 2.1(b)(iii) or 2.1(b)(v);

(ii) If the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public of less than $2,000,000; or

(iii) If, in a given twelve-month period, the Company has effected two (2) such registrations in such period.

(c) Deferral. The provisions of Section 2.1(c) shall apply to any registration pursuant to this Section 2.3.

(d) Underwriting. If the Holders of Registrable Securities requesting registration under this Section 2.3 intend to distribute the Registrable Securities covered by their request by means of an underwriting, the provisions of Section 2.1(e) shall apply to such registration. Notwithstanding anything contained herein to the contrary, registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration or registrations effected pursuant to Section 2.1.

2.4 Expenses of Registration. All Registration Expenses incurred in connection with registrations pursuant to Sections 2.1, 2.2 and 2.3 hereof shall be borne by the Company; *provided*, *however*, that, subject to Section 2.1(e), the Company shall not be required to pay for any Registration Expenses of any registration proceeding begun pursuant to Sections 2.1 and 2.3 if the registration request is subsequently withdrawn at the request of the Holders in the aggregate of a majority of the Registrable Securities; or because a sufficient number of Holders shall have withdrawn so that the minimum offering conditions set forth in Section 2.1 and 2.3 are no longer satisfied (in which case all participating Holders shall bear such expenses pro rata among each other based on the number of Registrable Securities requested to be so registered), unless the Holders in the aggregate of a majority of the Registrable Securities agree to forfeit their right to a demand registration pursuant to Section 2.1; *provided*, *however*, in the event that a withdrawal by the Holders is based upon material adverse information relating to the Company that is different from the information known or available (upon request from the Company or otherwise) to the Holders requesting registration at the time of their request for registration under Sections 2.1 or 2.3, such registration shall not be treated as a counted registration for purposes of Sections 2.1 or 2.3 hereof, and the Company shall bear the Registration Expenses for such

registration. All Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the holders of securities included in such registration pro rata among each other on the basis of the number of Registrable Securities so registered.

2.5 Registration Procedures. In the case of each registration effected by the Company pursuant to Section 2, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will use its commercially reasonable efforts to:

(a) Keep such registration effective for a period of ending on the earlier of the date which is sixty (60) days from the effective date of the registration statement or such time as the Holder or Holders have completed the distribution described in the registration statement relating thereto;

(b) To the extent the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) (a "**WKSI**") at the time any request for registration is submitted to the Company in accordance with Section 2.3, (i) if so requested, file an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "**automatic shelf registration statement**") to effect such registration, and (ii) remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such automatic shelf registration statement is required to remain effective in accordance with this Agreement;

(c) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above;

(d) Furnish such number of prospectuses, including any preliminary prospectuses, and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Holder from time to time may reasonably request;

(e) Register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdiction as shall be reasonably requested by the Holders; provided, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(f) Notify each seller of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing, and following such notification promptly prepare and furnish to such seller a reasonable number of copies of a

supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing;

(g) If at any time when the Company is required to re-evaluate its WKSI status for purposes of an automatic shelf registration statement used to effect a request for registration in accordance with Section 2.3, (i) the Company determines that it is not a WKSI, (ii) the registration statement is required to be kept effective in accordance with this Agreement, and (iii) the registration rights of the applicable Holders have not terminated, reasonably promptly amend the registration statement onto a form the Company is then eligible to use or file a new registration statement on such form, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement;

(h) If (i) a registration made pursuant to a shelf registration statement is required to be kept effective in accordance with this Agreement after the third anniversary of the initial effective date of the shelf registration statement and (ii) the registration rights of the applicable Holders have not terminated, file a new registration statement with respect to any unsold Registrable Securities subject to the original request for registration prior to the end of the three year period after the initial effective date of the shelf registration statement, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement;

(i) Furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a "comfort" letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(j) Provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(k) Otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first month after the effective date of the Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act;

(l) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed; *provided* that in the case of the Initial Public Offering, the Registrable Securities shall be listed on a national securities exchange; and

(m) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 2.1 hereof, enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of Common Stock, *provided* such underwriting agreement contains reasonable and customary provisions, and *provided* further, that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

2.6 Indemnification.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, each of its officers, directors and partners, legal counsel and accountants and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Section 2, and each underwriter, if any, and each person who controls within the meaning of Section 15 of the Securities Act any underwriter, against all expenses, claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any registration statement, prospectus, offering circular, issuer free writing prospectus (as defined in Rule 433 of the Securities Act), issuer information (as defined in Rule 433 of the Securities Act) filed or required to be filed pursuant to Rule 433(d) under the Securities Act or any other document incident to any such registration or related qualification or compliance, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by the Company of the Securities Act, any state securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any offering covered by such registration, qualification or compliance, and the Company will reimburse each such Holder, each of its officers, directors, partners, legal counsel and accountants and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action; *provided* that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or action arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such Holder, any of such Holder's officers, directors, partners, legal counsel or accountants, any person controlling such Holder, such underwriter or any person who controls any such underwriter, and stated to be specifically for use therein except to the extent such information was corrected in a subsequent writing prior to or concurrently with the sale of Registrable Securities to the person or entity asserting the claim; and *provided*, *further* that, the indemnity agreement contained in this Section 2.6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, officers, partners, legal counsel and accountants and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, each other such Holder, and each of their officers, directors and partners, and each person controlling each other such Holder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on (in each case only to the extent that such claims, losses, damages and liabilities arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration except to the extent such information was corrected in a subsequent writing prior to or concurrently with the sale of Registrable Securities to the person or entity asserting the claim): (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any prospectus, offering circular or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification or compliance, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, directors, officers, partners, legal counsel and accountants, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; *provided*, *however*, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld); and *provided* that in no event shall any indemnity under this Section 2.6(b) exceed the net proceeds from the offering received by such Holder, except in the case of fraud or willful misconduct by such Holder.

(c) Each party entitled to indemnification under this Section 2.6 (the "**Indemnified Party**") shall give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom; *provided* that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party's expense; and *provided further* that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2.6, to the extent such failure is not prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in

respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 2.6 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. No person or entity will be required under this Section 2.6(d) to contribute any amount in excess of the net proceeds from the offering received by such person or entity, except in the case of fraud or willful misconduct by such person or entity. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into by the Investors in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; *provided* that the failure of the underwriting agreement to provide for or address a matter provided for or addressed in the foregoing provisions shall not be a conflict with the foregoing provisions and, in such event, the foregoing provisions shall control.

2.7 Information by Holder. Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 2.

2.8 Restrictions on Transfer.

(a) The holder of each certificate representing Registrable Securities by acceptance thereof agrees to comply in all respects with the provisions of this Section 2.8. Each Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Restricted Securities, or any beneficial interest therein, unless and until:

(i) There is then in effect a registration statement under the Securities Act covering such proposed disposition and the disposition is made in accordance with the registration statement; or

(ii) (x) the Holder shall have given prior written notice to the Company of the Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, (y) if such transfer is prior to the Company's Initial Public Offering, the transferee thereof shall have agreed in writing for the benefit of the Company to take and hold such Restricted Securities subject to, and to be bound by, the terms and conditions set forth in this Agreement, including, without limitation, this Section 2.8 and Section 2.10, and (z) if reasonably requested by the Company, the Holder shall have furnished the Company, at its expense, with (1) an opinion of counsel reasonably satisfactory to the Company to the effect that such disposition will not require registration of such Restricted Securities under the Securities Act or (2) a "no action" letter from the Commission to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the Holder to the Company.

(b) Notwithstanding the provisions of Section 2.8(a), no such registration statement, opinion of counsel or "no action" letter shall be required for (i) a transfer not involving a change in beneficial ownership, (ii) a transfer under Rule 144, except in unusual circumstances, or (iii) transactions involving the transfer of Restricted Securities by any Holder to (x) a parent, subsidiary or other Affiliate of the Holder; (y) any of the Holder's partners, members or other equity owners, or retired partners, retired members or other equity owners, or to the estate of any of the Holder's partners, members or other equity owners or retired partners, retired members or other equity owners; or (z) any venture capital fund that is controlled by or under common control with one or more general partners or managing members of, or shares the same management company with, the Holder; *provided*, in each case, that the Holder shall give written notice to the Company of the Holder's intention to effect such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition and, if such transfer is prior to the Company's Initial Public Offering, the transferee thereof shall have agreed in writing for the benefit of the Company to take and hold such Restricted Securities subject to, and to be bound by, the terms and conditions set forth in this Agreement, including, without limitation, this Section 2.8 and Section 2.10.

(c) Each certificate representing Registrable Securities shall (unless otherwise permitted by the provisions of this Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE OFFER AND SALE OF THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE

SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN AN INVESTORS' RIGHTS AGREEMENT AMONG THE COMPANY AND THE ORIGINAL HOLDERS OF THESE SHARES, COPIES OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

The Holders consent to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 2.8.

(d) The first legend referring to federal and state securities laws identified in Section 2.8(b) hereof stamped on a certificate evidencing the Restricted Securities and the stock transfer instructions and record notations with respect to such Restricted Securities shall be removed and the Company shall issue a certificate without such legend to the holder of such Restricted Securities if (i) such securities are registered under the Securities Act, or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a sale or transfer of the securities may be made without registration or qualification.

(e) Notwithstanding anything to the contrary in this Agreement, (i) any or all of an Investor's rights hereunder may be exercised by, and any or all of an Investor's obligations hereunder may be discharged by, one or more Affiliates of such Investor designated by such Investor and (ii) more specifically, (x) an Investor may cause any shares of capital stock of the Company (or any securities directly or indirectly exercisable for, or convertible into or exchangeable for, such shares) required or permitted to be purchased or otherwise acquired hereunder by such Investor to be so purchased or acquired, in lieu of such Investor, by an Affiliate of such Investor (and such Affiliate shall then become an "Investor" hereunder), and (y) any Investor holding securities directly or indirectly exercisable for, or convertible into or exchangeable for, shares of capital stock of the Company shall have the right to have any such shares (or other securities) issuable upon the conversion, exercise or exchange of the securities held by such Investor issued in the name of one or more Affiliates of such Investor designated by such Investor (and each such Affiliate shall then become an "Investor" hereunder).

2.9 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Restricted Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) Make and keep adequate current public information with respect to the Company available in accordance with Rule 144 under the Securities Act, at all times from and after ninety (90) days following the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(c) So long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

2.10 Market Stand-Off Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Initial Public Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be reasonably requested by the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions) (a) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock held immediately prior to the effectiveness of the Initial Public Offering, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 2.10 shall apply only to the Initial Public Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holders if all officers, directors and greater than one percent (1%) stockholders of the Company enter into similar agreements. The underwriters in connection with the Initial Public Offering are intended third-party beneficiaries of this Section 2.10 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Initial Public Offering that are consistent with this Section 2.10 or that are necessary to give further effect thereto. Any

discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements. For the avoidance of doubt, this Section 2.10 shall not apply to shares of Common Stock acquired in the Initial Public Offering or in the open market following the Initial Public Offering.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.11 Delay of Registration. No Holder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.12 Transfer or Assignment of Registration Rights. The rights to cause the Company to register securities granted to a Holder by the Company under this Section 2 may be transferred or assigned by a Holder only to a transferee or assignee of not less than twenty percent (20%) of the Registrable Securities (as presently constituted and subject to subsequent adjustments stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) then held by such Holder; *provided* that (i) such transfer or assignment of Registrable Securities is effected in accordance with the terms of Section 2.8 hereof and applicable securities laws, (ii) the Company is given written notice prior to said transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are intended to be transferred or assigned and (iii) the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement, including without limitation the obligations set forth in Section 2.10. The foregoing twenty percent (20%) threshold shall not be applicable to any transfers among Affiliates.

2.13 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders in the aggregate of a majority of the Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are senior to or on parity with the registration rights granted to the Holders hereunder.

2.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion in any registration pursuant to Sections 2.1, 2.2 or 2.3 above shall terminate on the earlier of: (i) following the closing of the Company's first registered public offering of Common Stock, with respect to any Holder who then holds an amount of Registrable Securities that is equal to less than one percent (1%) of the outstanding securities of the Company and may sell all such Registrable Securities under Rule 144 during any ninety (90) day period, and (ii) four (4) years after the closing of a Qualified Public Offering.

3. Certain Covenants.

The Company hereby covenants and agrees, as follows:

3.1 Basic Financial Information and Inspection Rights.

(a) Basic Financial Information. As long as at least twenty percent (20%) of the shares of Preferred Stock originally issued remain outstanding, the Company will deliver to each Major Investor:

(i) as soon as practicable after the end of each fiscal year of the Company, and in any event within 150 days after the end of each fiscal year of the Company a consolidated balance sheet of the Company and its subsidiaries, if any, as at the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with U.S. generally accepted accounting principles consistently applied, and audited and certified by independent public accountants of recognized national standing selected by the Company, which audit may be waived by a vote of the Preferred Majority, in which case the Company shall deliver such unaudited statements within 60 days after the end of such fiscal year;

(ii) as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within 45 days after the end of the first, second, and third quarterly accounting periods in each fiscal year of the Company, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with U.S. generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments and such financial statements may not contain accompanying notes;

(iii) as soon as practicable after the each month, and in any event within 30 days after the end of each such month, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such monthly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with U.S. generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments and such financial statements may not contain accompanying notes, along with a comparison of such results to the Company's operating plan;

(iv) at least 30 days prior to the beginning of each of the Company's fiscal years an annual operating plan for such fiscal year (and as soon as available, any subsequent material revisions thereto);

(v) as soon as practicable after the end of each fiscal year, and in any event within 30 days thereafter, a report setting forth in detail all equity and debt holders of the Company as of the end of such year;

(vi) a capitalization table promptly upon the request of a Major Investor, but no more frequently than once per calendar quarter; and

(vii) such other information relating to the financial condition or business of the Company as any Major Investor may, from time to time, reasonably request related to monitoring its investment in the Company; *provided*, *however*, that the Company shall not be obligated under this Subsection 3.1(a) to provide a complete set of materials prepared by or on behalf of the Company for the purpose of distribution to the Board or any information: (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company, and is not a trade secret described in the next clause); (ii) that the Company reasonably determines in good faith to be a technology or scientific trade secret; or (iii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

Notwithstanding anything else set forth herein, the Company shall deliver to each Investor that is not a Major Investor and continues to hold at least fifty percent (50%) of the shares of Preferred Stock originally purchased by such Investor the annual financial reports set forth in Section 3.1(a)(i) above and the quarterly financial reports set forth in Section 3.1(a)(ii) above at the same time the Company delivers such reports to the Major Investors.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date 30 days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

(b) Inspection Rights. The Company shall permit each Major Investor to visit and inspect any of the properties of the Company or any of its subsidiaries during normal business hours or at such other reasonable times as may be requested, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided*, *however*, that the Company shall not be obligated under this Section 3.1(b) with respect to a competitor of the Company (as determined by the Board in good faith) or with respect to information which the Board determines in good faith is highly confidential or attorney-client privileged and should not, therefore, be disclosed; *provided*, however that no Major Investor shall be deemed a competitor solely as a result of holding less than twenty percent (20%) of the outstanding equity of an entity or as a result of maintaining a right to designate any members of the board of directors of a competitor. Each Major Investor may exercise its rights under this Section 3.1(b) only for purposes reasonably related to its interests as a stockholder of the Company. The rights granted pursuant to this Section 3.1(b) may not be assigned or otherwise conveyed to any Holder or by any subsequent transferee of any such rights without the prior written consent of the Company; *provided*, *however*, that a Major Investor shall be permitted to transfer rights granted pursuant to this Section 3.1(b) to Affiliates of such Major Investor.

3.2 Confidentiality. Each Holder agrees that such Holder will keep confidential and will not use for any purpose (other than to monitor its investment) or disclose or divulge any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement and the contents of any financial statements received), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.2 by such Holder or as a result of a breach by a third party of any obligation of confidentiality such third party may have to the Company of which such Holder is aware), (b) is or has been independently developed or conceived by Holder without use of or reference to the Company's confidential information, or (c) is or has been made known or disclosed to the Holder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that a Holder may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company, provided such persons agree to hold such information confidentially as provided herein; (ii) to any prospective purchaser of any Registrable Securities from such Holder, if such prospective purchaser agrees to be bound by the provisions of this Section 3.2; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Holder in the ordinary course of business, but only on the condition that such Affiliate, partner, member, stockholder or wholly owned subsidiary of such Holder shall only use such confidential information in connection with monitoring such Holder's investment in the Company and not for any other purpose, and provided that such Holder informs such person or entity that such information is confidential and directs such person or entity to maintain confidential treatment of such information; or (iv) as may otherwise be required by law, provided that the Holder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

3.3 Right to Conduct Activities. The Company hereby agrees and acknowledges that each of the Investors and their respective Affiliates (each, a "**Fund**") are investment funds or engage in corporate venture and other investment activities, and as such review the business plans and related proprietary information of many enterprises and invest in numerous portfolio companies, may compete directly or indirectly with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted by applicable law, no Fund nor its partners, employees, Affiliates, advisors or affiliated investment funds shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by such Fund (or its Affiliates) in any entity, or activities of such Affiliates, that may be competitive to the Company or (ii) actions taken by any partner, officer, advisor, employee or other representative of such Fund (or its Affiliates) in his, her or its capacity as such to assist any such competitive company whether or not such action was taken as a member of the board of directors of such competitive company or otherwise; provided, however, that nothing herein shall relieve any Fund from liability associated with use or disclosure of the Company's confidential information in breach of Section 3.2 above or associated with a breach of any other obligation of confidentiality owed to the Company, nor

liability associated with violating, breaching or misappropriating any proprietary right of the Company, nor shall relieve any director or officer of the Company from any liability associated with his or her breach of a fiduciary duty.

3.4 FCPA. The Company covenants that it shall not (and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Fund if the Company becomes aware of any enforcement action pursuant to such laws. The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA.

3.5 Termination of Covenants. The covenants set forth in Section 3.1 and Section 3.4 shall terminate and be of no further force and effect after the earlier of: (a) the Initial Public Offering; and (b) the occurrence of a Liquidation Event, except that such covenants shall not terminate upon the consummation of a sale of all or substantially all of the assets of the Company; provided, however, that this Agreement may be terminated after such sale of all or substantially all of the assets of the Company upon the consent of the Preferred Majority.

4. Right of First Refusal.

4.1 Grant of Rights. Subject to the provisions of Section 4.2 through Section 4.5 below, the Company hereby grants to each Investor that continues to hold at least 35% of the shares of Series B Preferred Stock or Series C Preferred Stock such Investor originally purchased (including through the conversion of convertible promissory notes) who is an "accredited investor" within the meaning of applicable securities laws and regulations (a "**ROFR Holder**"), the right of first refusal to purchase its Pro Rata Amount (as defined below) of New Securities which the Company may, from time to time, propose to sell and issue after the date of this Agreement. A ROFR Holder's "**Pro Rata Amount**", for purposes of this right of first refusal, is equal to the ratio of (a) the number of shares of Common Stock together with the number of shares of Preferred Stock (and warrants or other securities exercisable for Preferred Stock) calculated on an as exercised and as converted to Common Stock basis held by such ROFR

Holder, to (b) the total of all outstanding shares of Common Stock and Preferred Stock and all other shares of other convertible securities, rights, options or warrants then outstanding, on an as exercised and as converted to Common Stock basis.

4.2 New Securities. As used herein, "**New Securities**" shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, convertible securities, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, exercisable or convertible into capital stock, including debt instruments convertible into capital stock; *provided* that the term "New Securities" does not include (i) Exempted Securities, as defined in the Restated Certificate, (ii) any shares of Series C Preferred Stock issued pursuant to the Series C Purchase Agreement, or (iii) any shares of stock of the Company issued in the Initial Public Offering.

4.3 Notice. In the event the Company proposes to undertake an issuance of New Securities, it shall give each ROFR Holder written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each ROFR Holder shall have fifteen (15) days after any such notice is mailed or delivered to agree to purchase such ROFR Holder's Pro Rata Amount (or such lesser amount as desired) of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased, if any.

4.4 Election Period and Excess Securities. In the event the foregoing right of first refusal is not exercised in full by all of the ROFR Holders within the fifteen (15) day period described in Section 4.3 above (the "**Election Period**"), the Company shall promptly notify in writing the ROFR Holders who have elected to exercise their right of first refusal with respect to their full Pro Rata Amounts and shall offer such ROFR Holders the right to acquire such unsubscribed New Securities. Each ROFR Holder shall have five (5) days after receipt of such notice to notify the Company of its election to purchase all or a portion thereof of its pro rata portion of the unsubscribed New Securities, indicate whether it intends to purchase unsubscribed New Securities in excess of its pro rata share ("**Excess Securities**") and, if so, the number of such unsubscribed New Securities it wishes to purchase. The Excess Securities, if any, shall be allocated to participating ROFR Holders in a manner most consistent with the pro rata shares of such participating ROFR Holders as determined in good faith by the Board. If the ROFR Holders fail to exercise in full their rights of first refusal, the Company shall have forty-five (45) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within twenty (20) days from the date of said agreement) to sell that portion of the New Securities with respect to which the ROFR Holders' right of first refusal option set forth in this Section 4 was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Company's notice to ROFR Holders delivered pursuant to Section 4.3. In the event the Company enters into an agreement to sell such New Securities within such forty-five (45) day period following the Election Period, or sells such New Securities within such twenty (20) day period following the date of said agreement, the Company shall not thereafter issue or sell any New Securities, without first again offering such securities to the ROFR Holders in the manner provided in this Section 4.

4.5 Waiver, Termination, Transfer. The rights of first refusal granted under this Section 4, including notice with respect thereto, may be waived pursuant to Section 7.6 of this Agreement. Notwithstanding the foregoing, if any of the waiving ROFR Holders purchase New Securities covered by the waiver (any such purchase of New Securities, a "**Waiver Purchase**"), then each ROFR Holder shall have the right to purchase up to the same percentage of its Pro Rata Amount of the New Securities purchased by the waiving ROFR Holder who purchased the highest percentage of its respective Pro Rata Amount of the New Securities (such right, a "**ROFR Revival Right**"). The rights of first refusal granted under this Section 4 shall terminate immediately prior to the earliest: of (i) an Initial Public Offering, (ii) the closing of a Liquidation Event, except that such covenants shall not terminate upon the consummation of a sale of all or substantially all of the assets of the Company unless agreed to in writing by the Preferred Majority, (iii) as to any Investor at such time it, together with its Affiliates, is no longer a ROFR Holder. The rights of first refusal of a ROFR Holder under this Section 4 may be transferred subject to the same restrictions as any transfer of registration rights pursuant to Section 2.12. Notwithstanding anything else set forth above, a ROFR Holder shall be permitted to transfer rights granted pursuant to this Section 4 in any amount to its Affiliates.

5. Other Company Covenants.

5.1 Employee Agreements. The Company shall require (i) all employees and consultants to execute and deliver a nondisclosure and proprietary rights assignment agreement (in the case of employees, in substantially the form approved by the Board) and (ii) each executive-level employee (including, division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Proprietary Rights (as defined in the Series C Purchase Agreement) to enter into a one (1) year noncompetition and nonsolicitation agreement, substantially in the form approved by the Board (to the extent permitted under applicable law). In addition, the Company shall not materially amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, if such amendment would cause it to be inconsistent with this Section 5.1 without the consent of the Board, including the consent of a majority of the Preferred Directors.

5.2 Equity Agreements. Unless otherwise approved by the Board, including the consent of a majority of the Preferred Directors, all employees of the Company who purchase, or receive options to purchase, shares of Common Stock following the date hereof shall be required to execute stock purchase or option agreements providing for: (a) vesting of shares over a four (4) year period with the first twenty five percent (25%) of such shares vesting following twelve (12) months of continued employment or services, and the remaining shares vesting in equal monthly installments over the following thirty six (36) months thereafter; and (b) a vesting commencement date no earlier than such employee's first date of employment with the Company. Without the prior approval by the Board, including a majority of the Preferred Directors, the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Section 5.2.

5.3 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other person or entity and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Company's bylaws, the Company's certificate of incorporation, or elsewhere, as the case may be.

5.4 Expenses of Counsel. In the event of a transaction which is a Sale of the Company (as defined in the Voting Agreement), the reasonable fees and disbursements, not to exceed $50,000, of one counsel for the Major Investors as selected by holders of a majority of Registerable Securities then held by the Major Investors ("**Investor Counsel**"), in their capacities as stockholders, shall be borne and paid by the Company. At the outset of considering a transaction which, if consummated would constitute a Sale of the Company, the Company shall obtain the ability to share with the Investor Counsel (and such counsel's clients) and shall share the confidential information (including, without limitation, the drafts of memoranda of understanding (but not necessarily all drafts thereof), letters of intent (but not necessarily all drafts thereof), and definitive transaction documents and related noncompete, employment, consulting and other compensation agreements and plans) pertaining to and memorializing any of the transactions which, individually or when aggregated with others would constitute the Sale of the Company. The Company shall be obligated to share (and cause the Company's counsel and investment bankers to share) copies of definitive agreements with respect to such transaction when distributed to the Company's executives and/or any one or more of the other parties to such transaction(s). In the event that Investor Counsel deems it appropriate, in its reasonable discretion, to enter into a joint defense agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, the Company shall, and shall direct its counsel to, execute and deliver to Investor Counsel and its clients such an agreement in form and substance reasonably acceptable to Investor Counsel. In the event that one or more of the other party or parties to such transactions require the clients of Investor Counsel to enter into a confidentiality agreement and/or joint defense agreement in order to receive such information, then the Company shall share whatever information can be shared without entry into such agreement and shall, at the same time, in good faith work expeditiously to enable Investor Counsel and its clients to negotiate and enter into the appropriate agreement(s) without undue burden to the clients of Investor Counsel.

5.5 Observer Right. The Company shall allow one representative of Nextech VI Oncology SCSP ("**Nextech**") for so long as Nextech and its Affiliates own not less than 25% of the shares of the Series B Preferred Stock purchased by Nextech under that certain Series B Preferred Stock Purchase Agreement dated as of March 4, 2020 by the Company and the investors named therein, as subsequently amended, to attend all meetings of the Board in a non-voting observer capacity (the "**Observer**") and shall provide the Observer copies of all notices, minutes, consents, and other materials that it provides to the Board at the same time and in the same manner as provided to the Board. The Observer shall enter into a standard form of confidentiality agreement with the Company pursuant to which such Observer shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided. The Company reserves the right to withhold any information and to exclude the Observer from any meeting or portion thereof if the Board reasonably believes that access to

such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel, such information is a highly confidential trade secret or would be a conflict of interest between such Observer and the Company.

5.6 Qualified Small Business Stock. The Company shall use commercially reasonable efforts to cause the shares of Series B Preferred Stock issued in the First Tranche Closing and the Second Tranche Closing, as each is capitalized term is defined in that certain Series B Preferred Stock Purchase Agreement entered into between the Company and the investors named therein as of March 4, 2020, as subsequently amended, as well as any shares into which such shares are converted, within the meaning of Section 1202(f) of the Internal Revenue Code (the "**Code**"), to constitute "qualified small business stock" as defined in Section 1202(c) of the Code; provided, however, that such requirement shall not be applicable if the Board of Directors of the Company determines, in its good-faith business judgment, that such qualification is inconsistent with the best interests of the Company. The Company shall submit to its stockholders (including the Investors) and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code and the regulations promulgated thereunder. In addition, within twenty (20) business days after any Investor's reasonable written request therefor, the Company shall, at its option, either (i) deliver to such Investor a written statement indicating whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code or (ii) deliver to such Investor such factual information in the Company's possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code. Nothing in this Section 5.6 or in any written statement that is delivered pursuant to this Section 5.6 constitutes a representation, warranty or covenant that the Company has been, is or will be engaged in a "qualified trade or business" within the meaning of Code Section 1202(e)(3) or has met, meets or will meet the active business requirement of Code Section 1202(e)(1)(A), and although the representation and warranty in this Section 5.6 are undertaken in good faith, the Company shall not be liable for damages as the result of any failure of any of its stock to qualify as "qualified small business stock."

5.7 Termination of Covenants. The covenants set forth in Sections 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6 above shall terminate and be of no further force or effect upon the consummation of the earlier to occur of (a) an Initial Public Offering, and (b) a Liquidation Event, except that such covenants shall not terminate upon the consummation of a Liquidation Event that is the sale of all or substantially all of the assets of the Company unless approved in writing by the Preferred Majority; provided further that the provisions of Sections 5.3 and 5.4 hereof will continue after the closing of any Sale of the Company to the extent necessary to enforce the provisions thereof with respect to such Sale of the Company.

6. CFIUS.

6.1 Notice. If any pre-existing products or services provided by the Company are re-categorized by the U.S. government as critical technologies within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof (the "**DPA**"), or would reasonably be considered to constitute the design, fabrication, development, testing, production or manufacture of critical technologies after a re-categorization of selected

technologies by the U.S. government, the Company shall provide written notice to each CFIUS Investor reasonably soon after the Company becomes aware of such re-categorization, and in any event prior to the delivery of a notice pursuant to Section 4.3 above.

6.2 Filing. If and to the extent: (i) CFIUS requests or requires that any CFIUS Investor or the Company file a notice or declaration with CFIUS pursuant to the DPA with respect to such CFIUS Investor's exercise of its right of first refusal set forth in this Section 4 (a "**Covered Transaction**") or (ii) a CFIUS Investor and the Company mutually determine that a filing with CFIUS is required with respect to a Covered Transaction pursuant to 31 C.F.R. Part 801, then in either case: (x) the Company and such CFIUS Investor shall each, and shall cause its Affiliates to, cooperate with the other parties hereto and shall promptly file a CFIUS filing in the requested form in accordance with the DPA; and (y) the Company and such CFIUS Investor shall each, and each shall cause its Affiliates to, use commercially reasonable efforts to obtain applicable CFIUS clearances to enable such CFIUS to exercise its rights under Section 4. Notwithstanding anything to the contrary in this Agreement, under no circumstances shall the Company have an obligation to issue or sell any of its securities to any Investor in violation of Section 721 of the Defense Production Act of 1950, as amended, and all implementing rules and regulations issued thereunder, including 31 C.F.R. Parts 800-801 ("**CFIUS Laws**") or other applicable laws, and no Investor shall have the right to retain any rights set forth herein that are or become in violation of CFIUS Laws or other applicable laws.

6.3 Termination. The covenants set forth in this Section 6 shall terminate and be of no further force or effect upon the consummation of the earlier to occur of (a) an Initial Public Offering, and (b) a Liquidation Event, except that this Agreement shall not terminate upon the consummation of all or substantially all of the assets of the Company unless approved in writing by the Preferred Majority.

7. Miscellaneous.

7.1 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

7.2 Governing Law. This Agreement will be construed and enforced in accordance with the substantive laws of the State of Delaware without reference to principles of conflicts of law. EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN DELAWARE, IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND TO THE RESPECTIVE COURT TO WHICH AN APPEAL OF THE DECISIONS OF ANY SUCH COURT MAY BE TAKEN, AND EACH PARTY AGREES NOT TO COMMENCE, OR COOPERATE IN OR ENCOURAGE THE COMMENCEMENT OF, ANY SUCH PROCEEDING, EXCEPT IN PROCEEDING WILL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY JURISDICTION BY SUIT IN SUCH A COURT. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE THEREIN OF SUCH A PROCEEDING.

7.3 Counterparts. This Agreement may be executed in any number of counterparts and signatures may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

7.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

7.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given upon the earliest of: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed e-mail or confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, or (c) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written identification of receipt; provided that if the sender's and the recipient's addresses are not in the same country, two (2) business days after deposit with an internationally recognized overnight courier, specifying next day delivery, with written identification of receipt. All communications shall be sent, if to the Company, at the address set forth on the signature page hereto, and if to an Investor, at its address as set forth on Exhibit A hereto, or at such other address or contact information as such party may designate by ten (10) calendar days' advance written notice to the other parties hereto.

7.6 Amendments and Waivers. Except as expressly provided herein, any term of this Agreement may be amended, terminated or waived only with the written consent of (a) the Company and (b) the Preferred Majority, or, following the Initial Public Offering of the Company, the holders of a majority of the Registrable Securities; provided that: (i) no amendment, termination or waiver of any term under this Agreement shall adversely affect any Investor or group of Investors in a manner that is disproportionate to its holdings of stock relative to the other Investors of the same class or series unless such amendment, termination or waiver is agreed to in writing by a majority in interest of the disproportionately affected Investor(s); (ii) neither this clause (ii) or Section 5.5 may be amended, terminated or waived without the written consent of Nextech for as long as Nextech has a right to have an Observer attend meetings of the Board pursuant to Section 5.5; (iii) if the second sentence of Section 4.5 is amended, terminated or waived pursuant to the provisions of this Section 7.6, and a ROFR Holder purchases New Securities in an offering that is made in connection such amendment, termination or waiver which would constitute a Waiver Purchase (treating an amendment, waiver or termination of such sentence as if it were a Waiver Purchase for purposes of this sentence), then each ROFR Holder shall have a ROFR Revival Right; and (iv) no amendment to Section 1(q) shall cause an Investor that is a Major Investor to lose its status as a Major Investor without such Major Investor's written consent unless such amendment is in connection with the issuance of New Securities, such Major Investor was offered a right to purchase its Pro Rata Amount of such New Securities (or was offered a right to purchase a lesser amount of such New Securities based on

such Major Investor's relative holdings of Company equity as compared to the equity holdings of all other Major Investors) and fails to purchase the full amount of such New Securities offered to it. For the avoidance of doubt, the addition to this Agreement of any new holder of shares of capital stock of the Company ("**Capital Stock**") pursuant to the Company's issuance of such other Capital Stock regardless of whether such Capital Stock has rights, preferences or privileges that are junior, pari passu or senior to the Capital Stock then held by then current Investors as long as such other or additional shares of Capital Stock have been authorized and issued in accordance with the Company's then current Restated Certificate and applicable law, and as long as the addition of such new holder of Capital Stock of the Company (or inclusion of such new shares of Capital Stock) has been approved as may be required pursuant to Section 2.13 above shall not, in and of itself, be deemed to constitute an amendment or waiver that adversely affects one Investor in a manner that is disproportionate to any other Investor. Any amendment or waiver effected in accordance with this Section 7.6 shall be binding upon the Holders and each transferee of the Shares (or the Common Stock issuable upon conversion thereof), each future holder of all such securities, and the Company. Each Holder acknowledges that by the operation of this Section (and pursuant to the terms of this Section), the Preferred Majority will have the right and power to diminish or eliminate all rights of such Holder under this Agreement. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Notwithstanding anything to the contrary contained in this Agreement, if the Company issues additional shares of Series C Preferred Stock after the date hereof pursuant to the Series C Purchase Agreement, any purchaser of such shares of Series C Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and thereafter shall be deemed an "Investor" for all purposes hereunder without the consent of any party hereto.

7.7 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7.8 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such party, nor shall it be construed to be a waiver of any such breach or default or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing or as provided in this Agreement. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

7.9 Entire Agreement. This Agreement (including the exhibits hereto) constitutes the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

7.10 Further Assurances. At any time or from time to time after the date hereof, the parties hereto agree to cooperate with each other, and at the request of any such party hereto, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

7.11 Aggregation of Stock. All shares of Company equity held or acquired by a Holder and/or its Affiliates shall be aggregated together for the purpose of determining the availability of any rights and any obligations under this Agreement, and such affiliated persons may apportion such rights and obligations as among themselves in any manner they deem appropriate.

7.12 WAIVER OF JURY TRIAL. EACH PARTY HERETO AND ANY OTHER PERSON CLAIMING ANY RIGHTS HEREUNDER, HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

7.13 Amendment and Restatement of Prior Agreement. The Prior Agreement is hereby amended in its entirety and restated herein. Such amendment and restatement is effective upon the execution of this Agreement by the Company and the requisite Investors as set forth in the Prior Agreement. Upon such execution, all provisions of, rights granted and covenants made in the Prior Agreement are hereby waived, released and superseded in their entirety and shall have no further force or effect.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

COMPANY:

SILVERBACK THERAPEUTICS, INC.

By: */s/ Laura Shawver*
Laura Shawver
President and Chief Executive Officer

Address: 500 Fairview Ave N #600
Seattle, WA 98109
Attention: President and Chief Executive Officer

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

ORBIMED PRIVATE INVESTMENTS VI, LP

By: OrbiMed Capital GP VI LLC,
its General Partner

By: OrbiMed Advisors LLC,
its Managing Member

By: */s/ Carl Gordon*

Name: Carl Gordon

Title: Member

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

U.S. VENTURE PARTNERS XII, L.P.
U.S. VENTURE PARTNERS XII-A, L.P.

By: Presidio Management Group XII, L.L.C.
The General Partner of Each

By: */s/ Dale Holladay*
Dale Holladay, Attorney-In-Fact

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

PRECISION ONCO LIMITED

By: */s/ Yuan Sun*
Name: Yuan Sun
Title: Director

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

PONTIFAX (ISRAEL)
LIMITED PARTNERSHIP

By: */s/ Tamar Kariv*

Name: Tamar Kariv

Title: CEO

PONTIFAX (CHINA) V
LIMITED PARTNERSHIP

By: */s/ Tamar Kariv*

Name: Tamar Kariv

Title: CEO

PONTIFAX (CAYMAN) V
LIMITED PARTNERSHIP

By: */s/ Tamar Kariv*

Name: Tamar Kariv

Title: CEO

PONTIFAX LATE STAGE FUND
LIMITED PARTNERSHIP

By: */s/ Tamar Kariv*

Name: Tamar Kariv

Title: Managing Partner

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

HUNT PACIFIC, L.P., a Texas Limited Partnership
By: D.S. Hunt Corp., Its General Partner

/s/ David S. Hunt
David S. Hunt, President

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

Nextech VI GP S.à.r.l. as General Partner on behalf of
NEXTECH VI ONCOLOGY SCSP

By:	*/s/ Dalia Bleyer*	*/s/ Philippe Detournay*
Name:	Dalia Bleyer	Philippe Detournay
Title:	Manager	Manager

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY (DAPER I)

By: */s/ Sabrina Liang*
Sabrina Liang, Director

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY (SBST)

By: */s/ Sabrina Liang*
Sabrina Liang, Director

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

EcoR1 Capital Fund, L.P.
By: EcoR1 Capital, LLC, its General Partner

By: */s/ Oleg Nodelman*
Name: Oleg Nodelman,
Title: Manager

EcoR1 Capital Fund Qualified, L.P.
By: EcoR1 Capital, LLC, its General Partner

By: */s/ Oleg Nodelman*
Name: Oleg Nodelman,
Title: Manager

EcoR1 Venture Opportunity Fund, L.P.
By: Biotech Opportunity GP, LLC, its General Partner

By: */s/ Oleg Nodelman*
Name: Oleg Nodelman,
Title: Manager

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

BOXER CAPITAL, LLC

By: */s/ Aaron Davis*
Name: Aaron Davis
Its: Chief Executive Officer

MVA INVESTORS, LLC

By: */s/ Aaron Davis*
Name: Aaron Davis
Its: Chief Executive Officer

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

RA Capital Healthcare Fund, L.P.

By: RA Capital Healthcare Fund GP, LLC
Its General Partner

By: /s/ Peter Kolchinsky

Name: Peter Kolchinsky

Title: Manager

RA Capital NEXUS Fund, L.P.

By: RA Capital Nexus Fund GP, LLC
Its General Partner

By: /s/ Peter Kolchinsky

Name: Peter Kolchinsky

Title: Manager

BLACKWELL PARTNERS LLC – SERIES A

By: */s/ Abayomi A. Adigun*

Name: Abayomi A. Adigun
Investment Manager, DUMAC, Inc.
Title: Authorized Signatory

By: */s/ Jannine M. Lall*

Name: Jannine M. Lall
Head of Finance & Controller, DUMAC, Inc.
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

NANTAHALA CAPITAL PARTNERS II LIMITED PARTNERSHIP

By: Nantahala Capital Management, LLC
Its General Partner

By: */s/ Wilmot Harkey*
Name: Wilmot Harkey
Title: Manager

NANTAHALA CAPITAL PARTNERS LIMITED PARTNERSHIP

By: Nantahala Capital Management, LLC
Its General Partner

By: */s/ Wilmot Harkey*
Name: Wilmot Harkey
Title: Manager

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

BLACKWELL PARTNERS LLC - SERIES A, solely with respect to the portion of its assets for which Nantahala Capital Management, LLC acts as its Investment Manager

By: Nantahala Capital Management, LLC
Its Investment Manager

By: */s/ Wilmot Harkey*
Name: Wilmot Harkey
Title: Manager

SILVER CREEK CS SAV, L.L.C., solely with respect to the portion of its assets for which Nantahala Capital Management, LLC acts as its Investment Manager

By: Nantahala Capital Management, LLC
Its Investment Manager

By: */s/ Wilmot Harkey*
Name: Wilmot Harkey
Title: Manager

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

NANTAHALA CAPITAL PARTERNS SI, LP

By: Nantahala Capital Management, LLC
Its Investment Manager

By: */s/ Wilmot Harkey*
Name: Wilmot Harkey
Title: Manager

NCP QR LP

By: Nantahala Capital Management, LLC
Its Investment Manager

By: */s/ Wilmot Harkey*
Name: Wilmot Harkey
Title: Manager

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

Fidelity Select Portfolios: Biotechnology Portfolio

By: */s/ Chris Maher*

Name: Chris Maher

Title: Authorized Signatory

Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund

By: */s/ Chris Maher*

Name: Chris Maher

Title: Authorized Signatory

Fidelity Growth Company Commingled Pool
By: Fidelity Management Trust Company, as Trustee

By: */s/ Chris Maher*

Name: Chris Maher

Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Investors' Rights Agreement as of the Effective Date.

INVESTORS:

Fidelity Mt. Vernon Street Trust : Fidelity Growth Company K6 Fund

By: */s/ Chris Maher*

Name: Chris Maher

Title: Authorized Signatory

Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund

By: */s/ Chris Maher*

Name: Chris Maher

Title: Authorized Signatory

Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund

By: */s/ Chris Maher*

Name: Chris Maher

Title: Authorized Signatory

EXHIBIT A

SCHEDULE OF INVESTORS

OrbiMed Private Investments VI, LP
601 Lexington Avenue, 54th Floor
New York, NY 10022-4629
Attention: General Counsel

Celgene Corporation
c/o Bristol Myers Squibb Company
430 E. 29th St., 14th Floor
New York, NY 10016
Attention: Corporate Secretary Office

Alexandria Venture Investments, LLC
385 E. Colorado Blvd, Suite 299
Pasadena, CA 91101
Attention: Monica Beam

U.S. Venture Partners XII, L.P.
1460 El Camino Real, Suite 100
Menlo Park, CA 94025
Attn: Chief Financial Officer

With copy (which shall not constitute notice) to:
Wilmer Cutler Pickering Hale and Dorr
60 State Street
Boston, MA 02109
Attn: Rosemary G. Reilly

U.S. Venture Partners XII-A, L.P.
1460 El Camino Real, Suite 100
Menlo Park, CA 94025
Attn: Chief Financial Officer

With copy (which shall not constitute notice) to:
Wilmer Cutler Pickering Hale and Dorr
60 State Street
Boston, MA 02109
Attn: Rosemary G. Reilly

Precision Onco Limited
Rm2865, 28F, AIA Central, 1 Connaught Road
Central, Central, Hong Kong
Attention: Haige Lu, Michael Chuang

Pontifax (Israel) V Limited Partnership
Pontifax (China) Limited Partnership
Pontifax (Cayman) Limited Partnership
Pontifax Late Stage Fund Limited Partnership
Address for all Pontifax entities:
14 Shenkar St. Herzelia, Israel
Attention: Ran Nussbaum

with a copy (which shall not constitute notice) to:
Horn & Co., Law Offices
Amot Investments Tower, 2 Weizmann St., 24th Floor
Tel-Aviv 6423902, Israel
Attn: Yuval Horn, Adv.

Meritz NS Global Bio Fund
Korean Partnership
203, 50, Seosomun-ro 11-gil, Jung-gu, Seoul,
04515 Rep. of Korea
Attention: Kiel Kim, Ian Heo

Hunt Pacific, L.P.
2101 Cedar Springs Road, Suite 600
Dallas, Texas 75201
Attention: David S. Hunt

Colt Silverback Partners, LLC
2101 Cedar Springs Road, Suite #1230
Dallas, TX 75201
Attn: Darren Blanton

EXHIBIT A

SCHEDULE OF INVESTORS (Continued)

Nextech VI Oncology SCSp
8 rue Lou Hemmer, L-1748 Senningerberg
Grand Duchy of Luxembourg
Contact: Svitlana Dobrovolska

The Board of Trustees of the Leland Stanford Junior University (DAPER I)
Stanford Management Company
635 Knight Way
Stanford, CA 94305-7297
Attn: Direct Investments

The Board of Trustees of the Leland Stanford Junior University (SBST)
Stanford Management Company
635 Knight Way
Stanford, CA 94305-7297
Attn: Direct Investments

EcoR1 Capital Fund, L.P.
357 Tehama St #3
San Francisco, CA 94103
Attention: Oleg Nodelman, Scott Perlen

EcoR1 Capital Fund Qualified, L.P.
357 Tehama St # 3
San Francisco, CA 94103
Attention: Oleg Nodelman, Scott Perlen

EcoR1 Venture Opportunity Fund, L.P.
357 Tehama St # 3
San Francisco, CA 94103
Attention: Oleg Nodelman, Scott Perlen

Boxer Capital, LLC
11682 El Camino Real
Suite 320, San Diego, CA 92130
Attention: Aaron Davis

MVA Investors, LLC
11682 El Camino Real
Suite 320, San Diego, CA 92130
Attention: Aaron Davis

Nantahala Capital Partners II Limited Partnership
Legal Entity Name and Address:
Nantahala Capital Partners II Limited Partnership
130 Main St. 2nd Floor
New Canaan, CT 06840
Notifications:
Contact: Operations Team

Nantahala Capital Partners Limited Partnership
Legal Entity Name and Address:
Nantahala Capital Partners II Limited Partnership
130 Main St. 2nd Floor
New Canaan, CT 06840
Notifications:
Contact: Operations Team

EXHIBIT A

SCHEDULE OF INVESTORS (Continued)

Blackwell Partners LLC - Series A
Legal Entity Name and Address:
Blackwell Partners LLC - Series A
280 South Mangum Street, Suite 210
Durham, NC 27701
Notifications:
Contact: Operations Team; Jannine Lall
Copy to legal address above and investment manager below for physical.

Silver Creek CS SAV, L.L.C.
Legal Entity Name and Address:
Silver Creek CS SAV, L.L.C.
1301 5th Avenue, 40th Floor
Seattle, WA 98101
Notifications:
Contact: Operations Team(s)
Copy to legal address above and investment manager below for physical.
Nantahala Capital Management, LLC
130 Main St. 2nd Floor
New Canaan, CT 06840

Nantahala Capital Partners SI, LPNCP QR LP
Legal Entity Name and Address:
Nantahala Capital Partners SI, LP
130 Main St. 2nd Floor
New Canaan, CT 06840
Notifications:
Contact: Operations Team
Copy to legal address for physical.

RA Capital Healthcare Fund, L.P.
200 Berkeley St 18th floor
Boston, MA 02116
Attention: General Counsel

RA Capital NEXUS Fund, L.P.
200 Berkeley St 18th floor
Boston, MA 02116
Attention: General Counsel

BLACKWELL PARTNERS LLC - SERIES A
Blackwell Partners LLC - Series A
280 S. Mangum Street
Suite 210
Durham, NC 27701
Attn: Jannine Lall

Fidelity Select Portfolios: Biotechnology Portfolio
Mag & Co.
c/o Brown Brothers Harriman & Co.
Attn: Corporate Actions /Vault
140 Broadway
New York, NY 10005

Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund
Mag & Co.
do Brown Brothers Harriman & Co.
Attn: Corporate Actions /Vault
140 Broadway
New York, NY 10005

Fidelity Growth Company Commingled Pool
Mag & Co.
do Brown Brothers Harriman & Co.
Attn: Corporate Actions /Vault
140 Broadway
New York, NY 10005

EXHIBIT A

SCHEDULE OF INVESTORS (Continued)

Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund
BNY MELLON
ONE BNY MELLON CENTER
500 GRANT STREET AIM 151-2700
PITTSBURGH, PA 15258

Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund
BNY MELLON
ONE BNY MELLON CENTER
500 GRANT STREET AIM 151-2700
PITTSBURGH, PA 15258

Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund
State Street Bank & Trust
PO Box 5756
Boston, Massachusetts 02206
Attn: Bangle & Co fbo Fidelity
Advisor Series VII:
Fidelity Advisor
Biotechnology Fund

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE COMMON STOCK

Company:	SILVERBACK THERAPEUTICS, INC., a Delaware corporation
Number of Shares of Common Stock:	That number of Shares of Common Stock which Holder is entitled to purchase pursuant to Section 1.7.
Warrant Price:	$0.62 per share, which is based on the most recent 409A valuation report of the Company's Common Stock reviewed and accepted by the Board of Directors of the Company dated May 31, 2016.
Issue Date:	November 21, 2016
Expiration Date:	November 21, 2026 **See also Section 5.1(b)**.
Credit Facility:	This Warrant to Purchase Common Stock (as the same may from time to time be amended, modified, supplemented or restated, the "**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as the same may from time to time be amended, modified, supplemented or restated, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated common stock (the "**Common Stock**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

SECTION 1 EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in

Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company in the Company's reasonable discretion for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's Common Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of Common Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's Common Stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power; provided that a transaction or series of related transactions shall not constitute an Acquisition if: (x) its sole purpose is to change the state of the Company's incorporation; (y) it is solely a transfer of securities to an underwriter of the Company's securities in connection with an IPO; or (z) it is solely for bona fide financing purposes in which cash is received by the Company, or indebtedness of the Company is cancelled or converted, or a combination thereof.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be cashless exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such cashless exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended

(the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Number of Shares of Common Stock Granted to Holder. On the initial Funding Date of the initial Term Loan Advance, the number of Shares for which this Warrant shall be exercised shall be determined as follows: one-half of one percent (0.50%) of the original principal amount of such Term Loan Advance divided by the Warrant Price. In furtherance of the foregoing sentence, such number of Shares for which this Warrant shall be exercisable shall be increased for each successive Term Loan Advance in an amount equal to one-half of one percent (0.50%) of the original principal amount of such successive Term Loan Advance divided by the Warrant Price (which such number of Shares would be less any Shares for which this Warrant has been previously exercised); provided that in no event shall the total amount of Shares for which this Warrant is exercisable exceeds $5,000,000 multiplied by one-half of one percent (0.50%), divided by the Warrant Price. For purposes of clarification only, if the aggregate original principal amount of Term Loan Advances advanced to the Company is $5,000,000, then the number of Shares for which this Warrant is exercisable shall be 40,322 Shares (*i.e.*, 0.005 multiplied by $5,000,000, then divided by the Warrant Price). Capitalized terms used but not defined in this Section 1.7 shall have the meanings given to them in the Loan Agreement.

SECTION 2 ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Common Stock payable in securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Common Stock by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Common Stock are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Common Stock are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have

received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Common Stock and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, class and number of Shares in effect upon the date of such adjustment.

SECTION 3 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of Company Common Stock or options to purchase shares of Company Common Stock were issued immediately prior to the Issue Date hereof.

(b) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Company's stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Common Stock;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Common Stock will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Common Stock will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Company will also provide information reasonably requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4 REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 2.10 of the Investor Rights Agreement entered into between the Company and certain of the holders of the Company's securities as of April 1, 2016, as such may be amended from time to time pursuant to the terms thereof, or similar agreement.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5 MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

> THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE COMMON STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED NOVEMBER 21, 2016, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HC 215
Santa Clara, California 95054

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Silverback Therapeutics, Inc.
Attn: Peter Thompson, Chief Executive Officer
500 Fairview Ave N
Seattle, Washington 98109
Telephone: _____
Facsimile: _____
Email: _____

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Common Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

SILVERBACK THERAPEUTICS, INC.

By: */s/ Peter A. Thompson*
Name: Peter A. Thompson
Title: Acting President and Chief Financial Officer

"HOLDER"

SILICON VALLEY BANK By:

By: */s/ Jackie Spencer*

Name: Jackie Spencer
(Print)
Title: Director

[Signature Page to Silverback – SVB Warrant to Purchase Common Stock]

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase _____ shares of the Common Stock of Silverback Therapeutics, Inc. (the "**Company**") in accordance with the attached Warrant To Purchase Common Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

☐ check in the amount of $_____payable to order of the Company enclosed herewith

☐ Wire transfer of immediately available funds to the Company's account

☐ Cashless Exercise pursuant to Section 1 .2 of the Warrant

☐ Other [Describe]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Common Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE COMMON STOCK

Company:	SILVERBACK THERAPEUTICS, INC., a Delaware corporation
Number of Shares of Common Stock:	5,769 shares.
Warrant Price:	$0.65 per share, which is based on the most recent 409A valuation report of the Company's Common Stock reviewed and accepted by the Board of Directors of the Company dated May 31, 2016.
Issue Date:	December 22, 2017
Expiration Date:	December 22, 2027 **See also Section 5.1(b)**.
Credit Facility:	This Warrant to Purchase Common Stock (as the same may from time to time be amended, modified, supplemented or restated, the "**Warrant**") is issued in connection with that certain First Amendment to Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as the same may from time to time be amended, modified, supplemented or restated, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated common stock (the "**Common Stock**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

SECTION 1 EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company in the Company's reasonable discretion for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's Common Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of Common Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's Common Stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power; provided that a transaction or series of related transactions shall not constitute an Acquisition if: (x) its sole purpose is to change the state of the Company's incorporation; (y) it is solely a transfer of securities to an underwriter of the Company's securities in connection with an IPO; or (z) it is solely for bona fide financing purposes in which cash is received by the Company, or indebtedness of the Company is cancelled or converted, or a combination thereof.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be cashless exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such cashless exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended

(the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

SECTION 2 ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Common Stock payable in securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Common Stock by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Common Stock are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Common Stock are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Common Stock and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, class and number of Shares in effect upon the date of such adjustment.

SECTION 3 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of Company Common Stock or options to purchase shares of Company Common Stock were issued immediately prior to the Issue Date hereof.

(b) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Company's stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Common Stock;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Common Stock will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Common Stock will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Company will also provide information reasonably requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4 REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of

evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 2.10 of the Investor Rights Agreement entered into between the Company and certain of the holders of the Company's securities as of April 1, 2016, as such may be amended from time to time pursuant to the terms thereof, or similar agreement.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5 MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF

1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE COMMON STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED DECEMBER 22, 2017, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HC 215
Santa Clara, California 95054

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Silverback Therapeutics, Inc.
Attn: Chief Executive Officer
Attn: Legal
500 Fairview Ave N
Seattle, Washington 98109

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Common Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

SILVERBACK THERAPEUTICS, INC.

Legal Approved

By: */s/ Russ Hawkinson*
Name: Russ Hawkinson
Title: Acting CFO

"HOLDER"

SILICON VALLEY BANK By:

Finance Approved

By: /s/ Derek Scalf

Name: Derek Scalf
(Print)
Title: Vice President

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase _____ shares of the Common Stock of Silverback Therapeutics, Inc. (the "**Company**") in accordance with the attached Warrant To Purchase Common Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

☐ check in the amount of $_____ payable to order of the Company enclosed herewith

☐ Wire transfer of immediately available funds to the Company's account

☐ Cashless Exercise pursuant to Section 1 .2 of the Warrant

☐ Other [Describe]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Common Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

SILVERBACK THERAPEUTICS, INC.

2016 EQUITY INCENTIVE PLAN

As Adopted by the Board and Stockholders on April 1, 2016,
as amended through September 22, 2020

1. PURPOSE. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries, by offering them an opportunity to participate in the Company's future performance through Awards. Capitalized terms not defined in the text are defined in Section 23. Awards may be either Restricted Stock or Options. Options granted under the Plan may be ISOs (as defined in Section 5 hereof) or NQSOs (as defined in Section 5 hereof), as determined by the Committee at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. This Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act.

2. SHARES SUBJECT TO THE PLAN.

2.1. Number of Shares Available. Subject to Sections 2.2 and 16, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 14,711,318 Shares. Subject to Sections 2.2, 5.10 and 16, Shares subject to Awards previously granted will again be available for grant and issuance in connection with future Awards under this Plan to the extent such Shares: (i) cease to be subject to issuance upon exercise of an Option, other than due to the exercise of such Option; or (ii) are issued upon exercise of an Award but are forfeited or repurchased by the Company. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all Awards granted and outstanding under this Plan. Notwithstanding the foregoing, in no event shall the total number of Shares issued (counting each reissuance of a Share that was actually issued and then forfeited or repurchased by the Company as a separate issuance) under the Plan upon exercise of ISOs exceed 44,000,000 Shares (adjusted in accordance with Sections 2.2 and 16 hereof) over the term of the Plan.

2.2. Adjustment of Shares. In the event that the number of outstanding shares of the Company's Common Stock is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration, consolidation, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, or split-up, then (i) the number of Shares reserved for issuance under this Plan; (ii) the Exercise Prices of and number of Shares subject to outstanding Options and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; provided, however, that fractions of a Share will not be issued but will either be paid in cash at the Fair Market Value of such fraction of a Share or will be rounded down to the nearest whole Share, as determined by the Committee and provided, further, that the Exercise Price of any Option may not be decreased to below the par value of the Shares.

3. ELIGIBILITY. ISOs may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. Restricted Stock or NQSO's may be granted to employees, officers, directors and consultants of the Company or any Parent or Subsidiary of the Company. Consultants need not be individuals provided that the issuances to such consultant is in compliance with all Applicable Laws. A person may be granted more than one Award under this Plan.

4. ADMINISTRATION.

4.1. Committee Authority. This Plan will be administered by the Board, though the Board may appoint a Committee to which it delegates such administration. If the Board has not appointed a Committee to administer the Plan, the Board itself shall serve as the Committee. The Plan may be administered by different administrative bodies with respect to different classes of Participants. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Without limitation, the Committee will have the authority to:

4.1.1. determine the Fair Market Value of the Common Stock;

4.1.2. construe and interpret this Plan, any Option Agreement (as defined in Section 5.1 hereof) or Restricted Stock Purchase Agreement and any other agreement or document executed pursuant to this Plan, which constructions, interpretations and decisions shall be final and binding on all Participants;

4.1.3. prescribe, amend and rescind rules and regulations relating to this Plan;

4.1.4. approve persons to receive Awards;

4.1.5. determine the number of Shares or other consideration subject to Awards;

4.1.6. determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or awards under any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

4.1.7. grant waivers of any conditions of this Plan or any Award;

4.1.8. determine the form and terms, not inconsistent with the terms of the Plan, of any Awards granted hereunder and other related documents used under the Plan, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding, any Award;

4.1.9. correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Award, any Option Agreement, any Exercise Agreement, or any Restricted Stock Purchase Agreement;

4.1.10. determine whether an Award has been earned;

4.1.11. determine whether and under what circumstances an Award may be settled in cash under Section 13 below instead of Common Stock;

4.1.12. implement an Option Exchange Program and establish the terms and conditions of such Option Exchange Program, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Participant shall be made without his or her consent;

4.1.13. make all other determinations necessary or advisable for the administration of this Plan; and

4.1.14. extend the vesting period beyond a Participant's Termination Date.

4.2. Committee Discretion. Unless in contravention of any express terms of this Plan or any Award, any determination made by the Committee with respect to any Award will be made in its sole discretion either (i) at the time of grant of the Award, or (ii) subject to Section 5.9 hereof, at any later time. Any such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. The Committee may delegate to one or more officers of the Company the authority to grant Awards under this Plan, provided such officer or officers are members of the Board.

4.3. Indemnification. To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in good faith, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit, or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation, Certificate of Incorporation or Bylaws, by contract, matter of law, or otherwise, or under any other power that the Company may have to indemnify or hold harmless each such person.

5. OPTIONS. The Committee may grant Options to eligible persons described in Section 3 hereof and will determine whether such Options will be Incentive Stock Options within the meaning of the Code (the "**ISOs**") or Nonqualified Stock Options (the "**NQSOs**"), the

number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1. Form of Option Grant. Each Option granted under this Plan will be evidenced by an Option Agreement which will expressly identify the Option as an ISO or an NQSO, and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

5.2. Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless a later date is otherwise specified by the Committee. The Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3. Exercise Period. Options may be exercisable immediately but shares so exercised prior to becoming Vested Shares shall be subject to repurchase pursuant to Section 5.12 hereof or may be exercisable within the times or upon the events determined by the Committee as set forth in the Option Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who immediately prior to the grant of such ISO directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company (the "**Ten Percent Stockholder**") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4. Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted; provided that (i) the Exercise Price of an ISO will not be less than one hundred percent (100%) of the Fair Market Value of the Shares on the date of grant and (ii) the Exercise Price of any Option granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. In the case of an NQSO, the per share exercise price shall be such price that is determined by the Committee, provided that, if the per Share exercise price is less than 100% of the Fair Market Value on the date of grant, it shall otherwise comply with all Applicable Laws, including Section 409A of the Code. Payment for the Shares purchased must be made in accordance with Section 7 hereof.

5.5. Method of Exercise. Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the "**Exercise Agreement**") in a form approved by the Committee (which need not be the same for each Participant). The Exercise Agreement will state (i) the number of Shares being purchased, (ii) such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, and (iii) any repurchase terms attributable to unvested Shares that have been exercised. Participant shall execute and deliver to the Company the Exercise Agreement

together with payment in full of the Exercise Price, and any applicable taxes, for the number of Shares being purchased. Options may not be exercised for a fraction of a share.

5.6. Termination. Subject to earlier termination pursuant to Sections 16 or 17 hereof and notwithstanding the exercise periods set forth in the Option Agreement, exercise of an Option will always be subject to the following:

5.6.1. If the Participant (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Shares underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to Section 5.3 above).

5.6.2. If the Participant is Terminated for any reason other than death, Disability or for Cause, then the Participant may exercise such Participant's Options only to the extent that such Options are exercisable upon the Termination Date or as otherwise determined by the Committee. Such Options must be exercised by the Participant, if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within ninety (90) days after the Termination Date (or within such shorter time period, not less than thirty (30) days, or within such longer time period, not exceeding five (5) years after the Termination Date as may be determined by the Committee, with any exercise beyond ninety (90) days after the Termination Date deemed to be an NQSO) but in any event, no later than the expiration date of the Options.

5.6.3. If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within ninety (90) days after a Participant's Termination other than for Cause), then Participant's Options may be exercised, only to the extent that such Options are exercisable by Participant on the Termination Date or as otherwise determined by the Committee. Such Options must be exercised by Participant (or Participant's legal representative or authorized assignee), if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within twelve (12) months after the Termination Date (or within such shorter time period, not less than six (6) months, or within such longer time period not exceeding five (5) years after the Termination Date as may be determined by the Committee, with any exercise beyond (i) ninety (90) days after the Termination Date when the Termination is for any reason other than the Participant's death or Disability, or (ii) twelve (12) months after the Termination Date when the Termination is for Participant's Disability, deemed to be an NQSO) but in any event no later than the expiration date of the Options.

5.6.4. The Committee shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any unpaid leave of absence; provided, however, in the absence of such determination, such vesting shall be tolled during any such unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to

the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent or Subsidiary, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

5.7. Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8. Limitations on ISOs. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or any Parent or Subsidiary of the Company) will not exceed One Hundred Thousand Dollars ($100,000). If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds One Hundred Thousand Dollars ($100,000), then the Options for the first One Hundred Thousand Dollars ($100,000) worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of One Hundred Thousand Dollars ($100,000) that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date (as defined in Section 17 hereof) to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment. For purposes of this Section 5.8, ISOs shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an ISO shall be determined as of the date of the grant of such Option.

5.9. Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 5.10 hereof, the Committee may reduce the Exercise Price of outstanding Options without the consent of Participants by a written notice to them; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 hereof for Options granted on the date the action is taken to reduce the Exercise Price; provided, further, that the Exercise Price will not be reduced below the par value of the Shares, if any.

5.10. No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant, to disqualify any Participant's ISO under Section 422 of the Code.

5.11. Right of First Refusal. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Option Agreement a right of first refusal to

purchase all Shares that a Participant (or a subsequent transferee) may propose to transfer to a third party, unless otherwise not permitted by Section 25102(o) of the California Corporations Code, including a right of purchase upon an involuntary transfer; provided, that such right of first refusal terminates upon the Company's initial public offering of Common Stock pursuant to an effective registration statement filed under the Securities Act.

5.12. Early Exercise. Any Option may, but need not, include a provision whereby the Participant may elect at any time before the Termination of such Participant to exercise the Option as to any part or all of the Shares subject to the Option prior to the full vesting of such Shares. Any Unvested Shares so purchased shall be subject to a repurchase option in favor of the Company or to any other restriction the Committee determines to be appropriate.

6. RESTRICTED STOCK

6.1. Rights to Purchase. When a right to purchase Restricted Stock is granted under the Plan, the Committee shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the Purchase Price (which shall be determined by the Committee, subject to Applicable Laws, including any applicable securities laws), and the time within which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Committee and shall be made in accordance with Section 7 below. The offer to purchase Shares shall be accepted by execution of a Restricted Stock Purchase Agreement in a form determined by the Committee.

6.2. Repurchase Option

6.2.1. General. Unless the Committee determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable if the Participant is Terminated for any reason (including death or Disability). The purchase price for the Shares repurchased pursuant to the Restricted Stock Purchase Agreement shall be equal to or less than the Purchase Price paid by the Participant and may be paid by cancellation of any indebtedness of the Participant to the Company. The repurchase option shall lapse at such rate as the Committee shall determine.

6.2.2. Leave of Absence. The Committee shall have the discretion to determine whether and to what extent the lapsing of the Company's repurchase rights shall be tolled during any unpaid leave of absence; provided, however, in the absence of such determination, such lapsing shall be tolled during any such unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the lapsing of the Company's repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent or

Subsidiary, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

6.2.3. The Participant shall have full stockholder rights with respect to any Shares issued to the Participant under a Restricted Stock Award, whether or not the Participant's interest in those Shares is vested. Accordingly, the Participant shall have the right to vote such shares and to receive any regular cash dividends paid on such shares.

6.2.4. Any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which the Participant may have the right to receive with respect to the Participant's Unvested Shares by reason of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration shall be issued subject to (i) the same vesting requirements applicable to the Participant's Unvested Shares and (ii) such escrow arrangements as the Committee shall deem appropriate.

6.3. Right of First Refusal. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Restricted Stock Purchase Agreement a right of first refusal to purchase all Shares that a Participant (or a subsequent transferee) may propose to transfer to a third party, unless otherwise not permitted by Section 25102(o) of the California Corporations Code, including a right of purchase upon an involuntary transfer; provided, that such right of first refusal terminates upon the Company's initial public offering of Common Stock pursuant to an effective registration statement filed under the Securities Act.

7. PAYMENT FOR SHARE PURCHASES.

7.1. Payment. Payment for Shares purchased pursuant to this Plan whether by exercise of an Option or purchase under Restricted Stock Purchase Agreement shall be made in cash (by check or wire transfer); provided, however, that where expressly provided in an Option Agreement or Restricted Stock Purchase Agreement or otherwise approved for the Participant by the Committee, and where permitted by Applicable Law, payment may be made by one or more of the following methods:

7.1.1. by cancellation of indebtedness of the Company owed to the Participant;

7.1.2. for past services rendered to the Company, unless prohibited by Applicable Law;

7.1.3. by surrendering, or attesting to the ownership of, shares of Common Stock that are already owned by the Participant, provided such shares shall be surrendered to the Company in good form for transfer, clear of all liens, claims, encumbrances or security interests, and shall be valued at their Fair Market Value as of the date of exercise or purchase;

7.1.4. by tender of a promissory note having such recourse, interest, security and redemption provisions as the Committee determines, bearing interest at a rate

sufficient to avoid imputation of income under Sections 483 and 1274 of the Code; provided, however, that the portion of the Exercise Price or Purchase Price, as applicable, equal to the par value of the Shares must be paid in cash or other legal consideration permitted by Applicable Law;

7.1.5. provided that a public market for the Common Stock exists, by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company;

7.1.6. by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise of an Option by the largest whole number of Shares having an aggregate Fair Market Value that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price plus all or a portion of the minimum amount required to be withheld under applicable tax law (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding obligation not satisfied through such reduction in Shares); *provided* that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise;

7.1.7. by any other form permitted by Applicable Law; and

7.1.8. by any combination of the foregoing.

7.2. Loan Guarantees. The Committee may, in its sole discretion, elect to assist the Participant in paying for Shares purchased under this Plan by authorizing a guarantee by the Company of a third-party loan to the Participant.

8. WITHHOLDING TAXES.

8.1. Withholding Generally. As a condition of the grant, vesting and exercise of an Award granted under this Plan, the Company may require the Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such Shares. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash by the Company, such payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

8.2. Stock Withholding. When, under applicable tax laws, a Participant (or in the case of Participant's death or a permitted transferee, the person holding or exercising the Award) incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may in its sole discretion allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be

issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose will be made in accordance with the requirements established by the Committee for such elections and be in writing in a form acceptable to the Committee.

9. PRIVILEGES OF STOCK OWNERSHIP.

9.1. Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Unvested Shares that are repurchased pursuant to Sections 5.12 or 6.2 hereof. The Company will comply with Section 260.140.01 of Title 10 of the California Code of Regulations with respect to the voting rights of Common Stock.

9.2. Financial Statements. If required under Applicable Laws, the Company will provide financial statements to each Participant annually during the period such Participant has Awards outstanding.

10. TRANSFERABILITY OF AWARDS. Unless otherwise provided in an Option Agreement or Restricted Stock Agreement, Awards granted under this Plan, and any interest therein, will not be pledged, assigned, hypothecated, transferred or disposed of by Participant, other than by will or by the laws of descent and distribution and may not be made subject to execution, attachment or similar process. During the lifetime of the Participant, an Award will be exercisable only by the Participant or Participant's legal representative and any elections with respect to an Award may be made only by the Participant or Participant's legal representative. The designation of a beneficiary by a Participant will not constitute a transfer.

11. CERTIFICATES. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

12. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares set forth in Sections 5.12 or 6.2 hereof, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated. The Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory

note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve.

13. EXCHANGE AND BUYOUT OF OPTIONS. The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Options in exchange for the surrender and cancellation of any or all outstanding Options. The Committee may at any time buy from a Participant an Option previously granted with payment in cash, shares of Common Stock of the Company or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

14. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. This Plan is intended to comply with Section 25102(o) of the California Corporations Code. Any provision of this Plan which is inconsistent with Section 25102(o) shall, without further act or amendment by the Company or the Board, be reformed to comply with the requirements of Section 25102(o). An Award will not be effective unless such Award is in compliance with all applicable foreign, federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (ii) compliance with any exemption, completion of any registration or other qualification of such Shares under any state, federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the exemption, registration, qualification or listing requirements of any foreign or state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

15. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company, be deemed to modify any Participant's "at-will" status with the Company, or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

16. CORPORATE TRANSACTIONS.

16.1. Dissolution or Liquidation. In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Committee.

16.2. Assumption or Replacement of Options by Successor or Acquiring Company. In the event of (i) a merger or consolidation in which the Company is not the surviving corporation, (ii) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder which merges with the Company in such merger, or which owns or controls another corporation which merges with the Company in such merger) cease to own their shares or other equity interests in the Company, or (iii) the sale of all or substantially all of the assets of the Company, any or all outstanding Options may be assumed, converted or replaced by the successor or acquiring corporation (if any), which assumption, conversion or replacement will be binding on all Participants. In the alternative, the successor or acquiring corporation may substitute equivalent Options or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Options). The successor or acquiring corporation may also substitute by issuing, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions and other provisions no less favorable to the Participant than those which applied to such outstanding Shares immediately prior to such transaction described in this Section 16.2.

16.3. Failure to Assume. In the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Options, as provided above, pursuant to a transaction described in Section 16.2, then notwithstanding any other provision in this Plan to the contrary, such Options will expire on such transaction at such time and on such conditions as the Committee will determine. The Committee shall notify the Participant that the Option will terminate at least five (5) days prior to the date on which the Option terminates. If any outstanding Option held by a current Participant is to be terminated (in whole or in part) pursuant to this paragraph, the Committee may, in its sole discretion, elect to accelerate the vesting and exercisability of each such Option such that the Option shall become vested and exercisable in full or part prior to the consummation of such transaction at such time and on such conditions as the Committee shall determine in its sole discretion.

16.4. Other Treatment of Options. Subject to any greater rights granted to Participants under the foregoing provisions of this Section 16 hereof, in the event of the occurrence of any transaction described in Section 16.2 hereof, any outstanding Options will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation or sale of assets.

16.5. Assumption of Options by the Company. The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (i) granting an Option under this Plan in substitution of such other company's option, or (ii) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately

pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

16.6. Parachute Payments. Notwithstanding anything in any Option Agreement or Restricted Stock Agreement to the contrary, if any of such agreements provide for acceleration of the vesting of Shares or other actions with respect to the Shares underlying such agreement (which actions could be deemed a "payment" within the meaning of 280G(b)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**")), together with any other payments that the Participant has the right to receive from the Company or any entity which is a member of an "affiliated group" (as defined in Section 1504(a) of the Code without regards to Section 1504(b) of the Code) of which the Company is a member, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), such deemed "payments" will be reduced to the largest amount as will result in no portion of such deemed "payments" being subject to the excise tax imposed by Section 4999 of the Code; provided, however, that such "payments" shall only be reduced if such reduction would result in Participant receiving a greater net benefit, on an after-tax basis (including after payment of any excise tax imposed by Section 4999 of the Code), than Participant would have received had such reduction not occurred.

17. ADOPTION AND STOCKHOLDER APPROVAL. This Plan will become effective on the date that it is adopted by the Board (the "**Effective Date**"). This Plan will be approved by the stockholders of the Company (excluding Shares issued pursuant to this Plan), consistent with Applicable Laws, within twelve (12) months before or after the Effective Date. Upon the Effective Date, the Committee may grant Awards pursuant to this Plan; provided, however, that: (i) no Option may be exercised or Restricted Stock purchased prior to initial stockholder approval of this Plan; (ii) no Option or Restricted Stock granted pursuant to an increase in the number of Shares approved by the Committee shall be exercised or purchased, as applicable prior to the time such increase has been approved by the stockholders of the Company; (iii) in the event that initial stockholder approval is not obtained within the time period provided herein, all Awards granted hereunder shall be canceled, any Shares issued pursuant to any Award, whether by exercise of an Option or purchase of Restricted Stock, shall be canceled and rescinded; and (iv) Options granted pursuant to an increase in the number of Shares approved by the Board which increase is not timely approved by stockholders shall be canceled.

18. TIME OF GRANTING AWARDS. The date of grant of an Award shall, for all purposes, be the date on which the Committee makes the determination granting such Award, or such other date as is determined by the Committee, provided that in the case of any ISO, the grant date shall be the later of the date on which the Committee makes the determination granting such ISO or the date of commencement of the Participant's employment relationship with the Company.

19. TERM OF PLAN/GOVERNING LAW. Unless earlier terminated as provided herein, this Plan will terminate ten (10) years from the Effective Date or, if earlier, the date of stockholder approval. This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

20. AMENDMENT OR TERMINATION OF PLAN. Subject to Section 5.9 hereof, the Board may at any time terminate or amend this Plan in any respect, including without limitation amendment of any form of Option Agreement, Restricted Stock Purchase Agreement or instrument to be executed pursuant to this Plan. No amendment of the Plan shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent. The Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval pursuant to Section 25102(o) of the California Corporations Code or the Code or the regulations promulgated thereunder as such provisions apply to ISO plans.

21. NONEXCLUSIVITY OF THE PLAN. Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and other equity awards otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

22. BENEFICIARIES. Unless stated otherwise in an Award agreement, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. If no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death and vested Awards shall be transferred or distributed to the Participant's estate.

23. DEFINITIONS. As used in this Plan, the following terms will have the following meanings:

"Applicable Laws" means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any stock exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Awards are granted under the Plan or Participants reside or provide services, as such laws, rules and regulations shall be in effect from time to time.

"Award" means any award of an Option or Restricted Stock under the Plan.

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

"Cause" means, unless otherwise defined in an Option Agreement or Restricted Stock Purchase Agreement, (i) any willful, material violation by Participant of any law or regulation applicable to the business of the Company (or any successor, subsidiary, parent or affiliate of the Company), (ii) Participant's conviction for, or guilty or *nolo contendere* plea to, any felony or any willful perpetration by Participant of a common law fraud, (iii) Participant's commission of an act of personal dishonesty which involves personal profit in connection with the Company (or any successor, subsidiary, parent or affiliate of the Company) or any other entity having a material business relationship with the Company, (iv) a repeated pattern of unexcused absences that causes substantial failure by Participant to perform the material duties as a director, officer, employee or consultant of the Company, (v) any continued failure

or refusal by Participant to perform the material, lawful, duties required of Participant in his capacity as a director, officer, employee or consultant of the Company (or any successor, subsidiary, parent or affiliate of the Company if Participant is then primarily employed by such entity) after written notice or (vi) a material breach of any applicable invention assignment and/or confidentiality agreement or similar agreement that materially damages the Company (or any successor, subsidiary, parent or affiliate of the Company). The determination as to whether a Participant has been Terminated for Cause shall be made in good faith by the Committee and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time and the term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate.

"Change of Control" means, unless otherwise defined in an Option Agreement or Restricted Stock Purchase Agreement, (i) any merger or consolidation in which the Company shall not be the surviving entity (or survives only as a subsidiary of another entity whose stockholders did not own all or substantially all of the stock of the Company in substantially the same proportions as immediately prior to such transaction), (ii) the sale of all or substantially all of the Company's assets to any other person or entity (other than a sale to a wholly-owned subsidiary or a sale of one or more business lines of the Company such that the Company does not liquidate and continues to operate at least one business line after such sale), or (iii) the acquisition of beneficial ownership of a controlling interest (including, without limitation, power to vote) the outstanding shares of stock of the Company by any person or entity (including a "group" as defined by or under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the committee created and appointed by the Board to administer this Plan, or if no such committee is created and appointed, the Board.

"Company" means Silverback Therapeutics, Inc., a Delaware corporation, or any successor corporation.

"Common Stock" means the Company's common stock, par value $0.0001 per share, as adjusted pursuant to Sections 2 and 16 hereof, and any successor security.

"Disability" means disability, within the meaning of Section 22(e)(3) of the Code.

"Effective Price" is defined in Section 17 herein.

"Exercise Agreement" is defined in Section 5.5 herein.

"Exercise Price" means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option.

"Fair Market Value" means, as of any date, the value of a share of Common Stock determined as follows:

(a) if the Common Stock is publicly traded and listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading, as reported in The Wall Street Journal;

(b) if the Common Stock is publicly traded but is not listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported by The Wall Street Journal (or, if not so reported, as otherwise reported by any newspaper or other source as the Committee may determine); or

(c) if none of the foregoing is applicable, by the Committee as applied consistently with respect to the Participants.

"Good Reason" means, unless otherwise defined in an Option Agreement or Restricted Stock Purchase Agreement, (i) the assignment to Participant of duties, or limitation of Participant's responsibilities, materially inconsistent with his position, duties, responsibilities and status with the Company, *provided that* neither a mere change in title alone nor reassignment following a Change in Control to a position that is substantially similar to the position held prior to the transaction shall constitute Good Reason, (ii) a material reduction by the Company of Participant's annual base salary, unless such reduction affects all similarly situated employees, or (iii) the relocation of Participant's principal place of employment to a location that is more than fifty (50) miles further from Participant's current principal place of employment; *provided however,* that in order for circumstances to provide Good Reason for Participant's resignation, the following additional conditions must be satisfied also: (A) Participant resigns within six (6) months after the initial occurrence of the circumstance giving rise to Good Reason; (B) Participant provides notice to the Company of the circumstance giving rise to Good Reason within ninety (90) days after the initial existence of such circumstance; and (C) the Company has a thirty (30) day period in which to cure such circumstance, if it is capable of being cured, and upon any such cure, Participant shall not be considered to have Good Reason to resign. The determination as to whether a Participant has resigned for Good Reason shall be made in good faith by the Committee and shall be final and binding on the Participant. The term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate.

"ISO" is defined in Section 5 above.

"NQSO" is defined in Section 5 above.

"Option" means an award of an option to purchase Shares pursuant to Section 5.

"Option Agreement" means a written document, the form(s) of which shall be approved from time to time by the Committee, reflecting the terms of an Option granted under the Plan and includes any documents attached to such agreement.

"Option Exchange Program" means a program approved by the Committee whereby outstanding Options (i) are exchanged for Options with a lower exercise price or Restricted Stock or (ii) are amended to decrease the exercise price as a result of a decline in the Fair Market Value of the Common Stock.

"Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of the grant of the Award, each of such corporations other than the Company owns stock representing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain; provided, however, that the Committee shall have the discretion to determine that an entity otherwise meeting such definition is not a Parent for purposes of this Plan. A corporation that attains the status of Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

"Participant" means a person who receives an Award under this Plan.

"Plan" means this 2016 Equity Incentive Plan, as amended from time to time.

"Purchase Price" means the price at which Shares may be purchased pursuant to a Restricted Stock Purchase Agreement.

"Restricted Stock" means Shares acquired pursuant to a right to purchase Shares granted pursuant to Section 6.

"Restricted Stock Purchase Agreement" means a written document, the form(s) of which shall be approved from time to time by the Committee, reflecting the terms of Restricted Stock granted under the Plan and includes any documents attached to such agreement.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means the shares of Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 16 hereof, and any successor security.

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the grant of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock representing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

"Termination" or **"Terminated"** means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company, as determined in the sole discretion of the Committee. A Participant will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than ninety (90) days (a) unless reinstatement (or, in the case of an employee with an ISO, reemployment) upon the expiration of such leave is guaranteed by contract or statute, or (b) unless provided otherwise pursuant to formal policy adopted from time to time by the Company's Board and issued and promulgated in writing. In the case of any Participant on (i) sick leave, (ii) military leave or (iii) an approved leave of absence, the Committee may make

such provisions respecting suspension of vesting of the Award while on leave from the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the Option Agreement or Restricted Stock Purchase Agreement, as applicable. The Committee will have sole discretion to determine when and whether a Participant has ceased to provide services to the Company.

"Termination Date" means the date of Termination of a Participant. The Committee will have sole discretion to determine the Termination Date of a Participant.

"Unvested Shares" means shares that have not vested pursuant to the vesting schedule set forth in a Option Agreement or for which the Company's repurchase option has not lapsed pursuant to a Restricted Stock Purchase Agreement.

"Vested Shares" means shares that have vested pursuant to the vesting schedule set forth in the Option Agreement or for which the Company's repurchase option has lapsed pursuant to a Restricted Stock Purchase Agreement.

NOTICE OF STOCK OPTION GRANT

PURSUANT TO THE
SILVERBACK THERAPEUTICS, INC.
2016 EQUITY INCENTIVE PLAN

(Name)

(Address)

(Address)
(Please note any corrections to the address above)

You (the "**Optionee**") have been granted an option (the "**Option**") to purchase Common Stock of Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**"), as follows. This Option is granted under and governed by the terms and conditions of the Company's 2016 Equity Incentive Plan (the "**Plan**") and the Stock Option Agreement, both of which are attached as Annex I and Annex II hereto, respectively, and made a part of this document. Unless otherwise defined herein, any capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

Board Approval Date:	
Date of Grant (Later of Board Approval Date or Commencement of Employment/Consulting):	
Vesting Commencement Date:	
Exercise Price per Share:	$
Total Number of Shares Granted:	(the "**Shares**")
Total Exercise Price:	
Type of Option:	X[1] Incentive Stock Option
	___ Non-Qualified Stock Option
Expiration Date:	

[1] This Option shall be treated as an Incentive Stock Option to the maximum extent allowable under Internal Revenue Code Section 422 with any excess to be treated as a non-qualified stock option.

Vesting Schedule:	This Option may be exercised, in whole or in part, as follows: (a) On the one year anniversary of the Vesting Commencement Date this Option shall become vested and exercisable as to 1/4th of the Shares; and (b) thereafter, this Option shall become vested and exercisable as to an additional 1/48th of the Shares on each monthly anniversary of the Vesting Commencement Date so that all the Shares become vested and exercisable within four years of the Vesting Commencement Date. Notwithstanding anything set forth above, no Shares shall become exercisable or vested after Optionee's Termination from the Company. Optionee shall in no event be entitled under this Option to purchase a number of shares of the Company's Common Stock greater than the "Total Number of Shares Granted" indicated above. If the application of this vesting schedule results in a fractional share, such share shall be rounded down to the nearest whole share for each month except for the last month of the Vesting Schedule when the balance of all Shares shall become exercisable and vested. All references herein to numbers of shares and the exercise price set forth above shall be subject to adjustment for any stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company as set forth in Section 2.2 of the Plan.
Termination Period:	To the extent this Option is vested and exercisable as of the Termination Date, this Option may be exercised for a period of up to 90 days after Optionee's Termination, except as set forth in Sections 6 and 7 of the Stock Option Agreement or as otherwise provided in the Plan (but in no event later than the Expiration Date set forth above).

[Signature Page to Follow]

By your signature and the signature of the Company's representative below, you agree that you have received a copy of the Plan and the Stock Option Agreement, and you and the Company agree that the Option described herein shall be subject to the terms of each of such document.

OPTIONEE

_____

[Recipient Name]

SILVERBACK THERAPEUTICS, INC.

By: _____

Name: Laura Shawver

Title: President and Chief Executive Officer

ANNEX I TO NOTICE OF STOCK OPTION GRANT

STOCK OPTION AGREEMENT
PURSUANT TO
SILVERBACK THERAPEUTICS, INC. 2016 EQUITY INCENTIVE PLAN

1. Grant of Option. Silverback Therapeutics, Inc. a Delaware corporation (the "**Company**"), hereby grants to [Recipient Name] ("**Optionee**"), an option (the "**Option**") to purchase up to such number of shares of Common Stock (the "**Shares**") as is set forth in the Notice of Stock Option Grant, at the exercise price per share set forth in the Notice of Stock Option Grant (the "**Exercise Price**"), subject in all cases to the terms, definitions and provisions of the Silverback Therapeutics, Inc. 2016 Equity Incentive Plan (the "**Plan**") adopted by the Company, which is incorporated herein by reference. Unless otherwise defined herein, any capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

If designated an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code (the "**Code**"), provided, however, to the extent not so designated or if this Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, in the event that the Shares subject to this Option and any other Incentive Stock Option granted to the Optionee become exercisable for the first time by Optionee during any calendar year and have an aggregate fair market value (determined for each Share as of the date of grant of each option covering such Share) in excess of $100,000, then the shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option in accordance with Section 5.8 of the Plan.

2. Exercise of Option. This Option shall be exercisable prior to the Expiration Date set forth in the Notice of Stock Option Grant in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the provisions of Section 7 of the Plan as follows:

(a) Right to Exercise.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, Disability or other termination of employment, the exercisability of the Option is governed by Sections 5, 6 and 7 below, subject to the limitations contained in Section 2(a)(iii) below.

(iii) In no event may this Option be exercised after the Expiration Date of this Option as set forth in the Notice of Stock Option Grant.

(b) Method of Exercise. This Option shall be exercisable by execution and delivery of the Exercise Notice attached hereto as Exhibit A (the "**Exercise Notice**") or of any

other form of written notice approved for such purpose by the Company, in its sole discretion, which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such shares of Common Stock as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered in person or by certified mail to the Secretary of the Company. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

No Shares will be issued pursuant to the exercise of an Option unless such issuance and such exercise shall comply with all relevant provisions of applicable law and the requirements of any stock exchange upon which the Shares may then be listed. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

3. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of Optionee by:

(a) cash or check;

(b) cancellation of indebtedness of the Company to Optionee;

(c) only with the approval of the Committee, which may be withheld in its sole discretion, by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid imputation of income under Sections 483 and 1274 of the Code;

(d) only with the approval of the Committee, which may be withheld in its sole discretion, surrender of shares of Common Stock of the Company that have a Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised; or

(f) if there is a public market for the Shares and they are registered under the Securities Exchange Act, of 1934, as amended, delivery of a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the Exercise Price, such notice to be in a form approved by the Committee.

4. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by any applicable law or regulation.

5. Termination of Relationship. In the event of Termination of Optionee, Optionee may, to the extent otherwise so entitled at the Termination Date, exercise this Option during the Termination Period set forth in the Notice of Stock Option Grant or otherwise provided for in the Plan. To the extent that Optionee was not entitled to exercise this Option at such Termination Date, or if Optionee does not exercise this Option within such Termination Period, the Option shall terminate.

6. Disability of Optionee.

(a) Notwithstanding the provisions of Section 5 above, in the event of Termination of Optionee as a result of Optionee's total and permanent Disability, Optionee may, but only within twelve (12) months from the Termination Date (but in no event later than the Expiration Date set forth in the Notice of Stock Option Grant), exercise this Option to the extent Optionee was entitled to exercise it as of such Termination Date. To the extent that Optionee was not entitled to exercise the Option as of the Termination Date, or if Optionee does not exercise such Option (to the extent so entitled) within the time specified in this Section 6(a), the Option shall terminate.

(b) Notwithstanding the provisions of Section 5 above, in the event of Termination of Optionee as a result of Disability not constituting a total and permanent Disability, Optionee may, but only within six (6) months from the Termination Date (but in no event later than the Expiration Date set forth in the Notice of Stock Option Grant), exercise the Option to the extent Optionee was entitled to exercise it as of such Termination Date; provided, however, that if this is an Incentive Stock Option and Optionee fails to exercise this Incentive Stock Option within three (3) months from the Termination Date, this Option will cease to qualify as an Incentive Stock Option (as defined in Section 422 of the Code) and Optionee will be treated for federal income tax purposes as having received ordinary income at the time of such exercise in an amount generally measured by the difference between the Exercise Price for the Shares and the Fair Market Value of the Shares on the date of exercise. To the extent that Optionee was not entitled to exercise the Option at the Termination Date, or if Optionee does not exercise such Option to the extent so entitled within the time specified in this Section 6(b), the Option shall terminate.

7. Death of Optionee. In the event of the death of Optionee (a) during the term of this Option and while an employee or consultant of the Company and having been in continuous status as an employee or consultant since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six (6) months following the date of death (but in no event later than the Expiration Date set forth in the Notice of Stock Option Grant), by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that had accrued at the Termination Date.

8. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

9. Term of Option. This Option may be exercised only prior to the Expiration Date set forth in the Notice of Stock Option Grant, subject to the limitations set forth in Section 5 of the Plan.

10. Tax Consequences.

(a) Tax Advice. OPTIONEE UNDERSTANDS THAT OPTIONEE MAY SUFFER ADVERSE TAX CONSEQUENCES AS A RESULT OF EXERCISE OF THIS OPTION OR DISPOSITION OF THE SHARES EXERCISED. OPTIONEE REPRESENTS THAT OPTIONEE HAS CONSULTED WITH OR WILL CONSULT WITH ANY TAX CONSULTANT(S) OPTIONEE DEEMS ADVISABLE PRIOR TO THE EXERCISE OF THIS OPTION OR DISPOSITION OF THE EXERCISED SHARES. OPTIONEE CONFIRMS THAT IT IS NOT RELYING ON THE COMPANY FOR ANY TAX ADVICE.

(b) Notice of Disqualifying Disposition of Incentive Stock Option Shares. If the Option granted to Optionee herein is an Incentive Stock Option, and if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the Incentive Stock Option on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

11. Withholding Tax Obligations. Prior to the issuance of the Shares upon exercise of this Option, Optionee must pay or make adequate provision for any applicable federal or state withholding obligations of the Company. If Optionee is subject at the time of exercise of this Option to Section 16(b) of the Exchange Act (an "**Insider**"), Optionee may provide for payment of Optionee's minimum statutory withholding taxes upon exercise of the Option by requesting that the Company retain Shares with a Fair Market Value equal to the minimum amount of taxes required to be withheld, all as set forth in Section 8.2 of the Plan. In such case, the Company shall issue the net number of Shares to Optionee by deducting the Shares retained from the Shares exercised.

12. Market Standoff Agreement. Optionee agrees in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Optionee will not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time after the effective date of such registration and subject to all restrictions as the Company or the underwriters may specify for employee-shareholders generally. Optionee agrees to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's public offering. Optionee further agrees that the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

13. Limitations on Transfer of Exercised Shares. In addition to any other limitation on transfer created by applicable securities laws, following exercise of this Option,

Optionee shall not assign, encumber or dispose of any interest in the exercised Shares except in compliance with the provisions below and applicable securities laws.

(a) Right of First Refusal. Before any Shares exercised by Optionee or held by any transferee of Optionee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase such Shares on the terms and conditions set forth in this Section 13(a) (the "**Right of First Refusal**").

(i) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "**Offered Price**") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) Exercise of Right of First Refusal. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) Purchase Price. The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) under this Section 13(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 13(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 13 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company

and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 13(a) notwithstanding, the transfer of any or all of the Shares during Optionee's lifetime or on Optionee's death by will or intestacy to Optionee's Immediate Family (as defined below) or a trust for the benefit of Optionee's Immediate Family shall be exempt from the provisions of this Section 13(a). "**Immediate Family**" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 13.

(b) Involuntary Transfer.

(i) Company's Right to Purchase upon Involuntary Transfer. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including divorce or death, but excluding, in the event of death, a transfer to Immediate Family as set forth in Section 13(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have the right to purchase all of the Shares transferred at the greater of the purchase price paid by Optionee pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer (as determined below). Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) Price for Involuntary Transfer. With respect to any stock to be transferred pursuant to Section 13(b)(i), "**Fair Market Value**" shall mean the price per Share determined by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Optionee or his or her executor of the price so determined within 30 days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if Optionee does not agree with the valuation as determined by the Board of Directors of the Company, Optionee shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and Optionee and whose fees shall be borne equally by the Company and Optionee.

(c) Assignment. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any stockholder or stockholders of the Company or other persons or organizations.

(d) Restrictions Binding on Transferees. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(e) Termination of Rights. The Right of First Refusal and the Company's right to repurchase the Shares in the event of an involuntary transfer pursuant to Section 13(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "**Securities Act**").

14. Ancillary Agreements.

(a) Voting Agreement. As a condition to receipt of this Option, and concurrently with the execution of this Option, Optionee hereby agrees that Optionee shall be deemed to be a "Common Holder" under, and shall be bound by the provisions of, the Amended and Restated Voting Agreement dated March 4, 2020, by and among the Company and certain equityholders of the Company party thereto, as such agreement may be amended, modified or superseded from time to time (the "**Voting Agreement**"), including without limitation the drag-along provisions under such agreement. Optionee also agrees to execute a counterpart signature page to the Voting Agreement concurrently with the execution of this Option or at any other time if requested. A copy of the Voting Agreement is available from the Company.

(b) Co-Sale Agreement. In addition, Optionee hereby agrees that if Optionee is at any time issued shares of the Company's Common Stock upon exercise of this Option and such issued shares constitute one percent (1%) or more of the Company's then outstanding Common Stock (taking into account this Option and all other shares of Common Stock, options and other purchase rights held by such employee, director or consultant and treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities held by Optionee and other parties, as if exercised or converted) or such person is an officer of the Company, as a condition to exercise of this Option, and concurrently with the exercise of this Option or at such time as Optionee exceeds such ownership threshold, Optionee shall be deemed to be a "Common Holder" under, and shall be bound by the provisions of, the Amended and Restated Right of First Refusal and Co-Sale Agreement dated March 4, 2020 by and among the Company and certain equityholders of the Company party thereto, as such agreement may be amended, modified or superseded from time to time (the "**Co-Sale Agreement**"), including without limitation the transfer restrictions under such agreement. In such case, Optionee also agrees to execute a counterpart signature page to the Co-Sale Agreement concurrently with the exercise of this Option or at any other time if requested. A copy of the Co-Sale Agreement is available from the Company.

15. Miscellaneous.

(a) Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

(b) Entire Agreement; Enforcement of Rights. The Plan and the Option Notice are hereby incorporated by reference in this Agreement. This Agreement (including the Plan and the Option Notice) sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No

modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) Construction. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or 48 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) Successors and Assigns. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Optionee under this Agreement may only be assigned with the prior written consent of the Company.

(h) No Obligation to Continue Employment or Consultancy. Nothing in this Agreement will confer or be deemed to confer on Optionee any right to continue in the employ of, or to continue any other relationship with, the Company, be deemed to modify Optionee's "at-will" status with the Company, or limit in any way the right of the Company to terminate Optionee's employment or other relationship at any time, with or without cause.

(i) Incorporation of Plan. This Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of this Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted by the Committee pursuant to the Plan. In the event of any conflict between the provisions of this Option and those of the Plan, the provisions of the Plan shall control unless expressly provided in the Plan.

[Signature Page Follows.]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

SILVERBACK THERAPEUTICS, INC.

By: _____
Laura Shawver
President and Chief Executive Officer

OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF ANY SHARES ISSUED PURSUANT TO THIS OPTION IS EARNED ONLY BY CONTINUING EMPLOYMENT OR CONSULTANCY AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, WHICH IS INCORPORATED HEREIN BY REFERENCE, SHALL CONFER UPON OPTIONEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT OR CONSULTANCY BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE OPTIONEE'S EMPLOYMENT OR CONSULTANCY AT ANY TIME, WITH OR WITHOUT CAUSE.

Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Optionee has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Option.

Dated: _____

_____
[Recipient Name]

NOTICE OF STOCK OPTION GRANT
PURSUANT TO THE
SILVERBACK THERAPEUTICS, INC.
2016 EQUITY INCENTIVE PLAN

(Name)

(Address)

(Address)
(Please note any corrections to the address above)

You (the "**Optionee**") have been granted an option (the "**Option**") to purchase Common Stock of Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**"), as follows. This Option is granted under and governed by the terms and conditions of the Company's 2016 Equity Incentive Plan (the "**Plan**") and the Stock Option Agreement, both of which are attached as Annex I and Annex II hereto, respectively, and made a part of this document. Unless otherwise defined herein, any capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

Board Approval Date:	
Date of Grant (Later of Board Approval Date or Commencement of Employment/Consulting):	
Vesting Commencement Date:	
Exercise Price per Share:	$
Total Number of Shares Granted:	(the "**Shares**")
Total Exercise Price:	
Type of Option:	X[1] Incentive Stock Option
	___ Non-Qualified Stock Option
Expiration Date:	

[1] This Option shall be treated as an Incentive Stock Option to the maximum extent allowable under Internal Revenue Code Section 422 with any excess to be treated as a non-qualified stock option.

Vesting Schedule:	This Option may be exercised, in whole or in part, as follows: (a) On the one year anniversary of the Vesting Commencement Date this Option shall become vested and exercisable as to 1/4th of the Shares; and (b) thereafter, this Option shall become vested and exercisable as to an additional 1/48th of the Shares on each monthly anniversary of the Vesting Commencement Date so that all the Shares become vested and exercisable within four years of the Vesting Commencement Date. Notwithstanding anything set forth above, no Shares shall become exercisable or vested after Optionee's Termination from the Company. Optionee shall in no event be entitled under this Option to purchase a number of shares of the Company's Common Stock greater than the "Total Number of Shares Granted" indicated above. If the application of this vesting schedule results in a fractional share, such share shall be rounded down to the nearest whole share for each month except for the last month of the Vesting Schedule when the balance of all Shares shall become exercisable and vested. All references herein to numbers of shares and the exercise price set forth above shall be subject to adjustment for any stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company as set forth in Section 2.2 of the Plan.
Accelerated Vesting:	In the event that at any time while any of the Shares are not yet vested and Optionee has not been previously Terminated: (x) the Company undergoes a Change of Control (as such term is defined in the Plan), and (y) upon or within the twelve (12) month period after such Change of Control, Optionee is Terminated without Cause (as such term is defined in the Plan) or Optionee has Terminated his or her services for Good Reason (as such term is defined in the Plan), then upon the date that a release and waiver of claims in a form acceptable to the Company, or its successor, and signed by Optionee is no longer revocable by Optionee, automatically and without any further action on the part of the

Company or Optionee, one hundred percent (100%) of the then unvested shares underlying this Option shall be deemed to be exercisable and no longer subject to vesting requirements.

Section 280G. If any payments and other benefits provided for in this Notice of Stock Option Grant or otherwise constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**") and, but for the paragraphs herein regarding accelerated vesting of the Option, would be subject to the excise tax imposed by Section 4999 of the Code, then payments and other benefits will be payable to Optionee, at Optionee's election, either in full or in such lesser amounts as would result, after taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, on Optionee's receipt on an after-tax basis of the greatest amount of payments and other benefits, by first reducing the cash payments and then reducing the equity grants, in each case, pro rata between amounts subject to Section 409A ("**§ 409A**") and amounts not subject to § 409A.

Section 409A. Notwithstanding any other term in this Notice of Stock Option Grant, if, at the time of Optionee's separation of employment, Optionee is a "specified employee," as defined in Treasury Regulation § 1.409A-1(i), to the extent delayed commencement of any portion of the payments or benefits to which Optionee is entitled under this Notice of Stock Option Grant is required in order to avoid a prohibited distribution under 26 U.S.C. § 409A(a)(2)(B)(i), that portion of Optionee's benefits shall not be provided to Optionee before the earlier of (a) six (6) months and one day after Optionee's separation, or (b) the date of Optionee's death, as applicable. All payments deferred pursuant to this Notice of Stock Option Grant shall be paid in a lump sum to you on the date which is six months and one day after Optionee's separation or the date of Optionee's death, as applicable, and any remaining payments due under Notice of Stock Option Grant shall be paid as required by this

	Notice of Stock Option Grant. Each payment and benefit paid pursuant to this Notice of Stock Option Grant shall constitute a "separate payment" for purposes of Treasury Regulation § 1.409A-2(b)(2). This Notice of Stock Option Grant and the Stock Option Agreement attached hereto shall be construed in a manner that complies with § 409A and the United States Treasury Department's implementing regulations for § 409A so that none of the payments and benefits provided under this Notice of Stock Option Grant will be subject to the additional tax imposed under § 409A. All ambiguities herein shall be interpreted to comply with § 409A and the Treasury Department's implementing regulations for § 409A. The Company and Optionee shall cooperate, in good faith, to take all reasonable actions, including amending this Notice of Stock Option Grant, which are necessary to avoid imposition of any additional tax under § 409A.
Early Exercise:	Notwithstanding the Section titled Vesting Schedule above, Optionee may elect at any time before the Termination of Participant to exercise the Option as to any part or all of the Shares subject to the Option prior to the full vesting of such Shares. Any unvested Shares so purchased shall be subject to repurchase by the Company at the exercise price therefor and to all other terms or restrictions the Committee determines to be appropriate, and the Optionee shall be required to execute an early exercise restricted stock purchase agreement in a form approved by the Committee in its sole discretion.
Termination Period:	To the extent this Option is vested and exercisable as of the Termination Date, this Option may be exercised for a period of up to 90 days after Optionee's Termination, except as set forth in Sections 6 and 7 of the Stock Option Agreement or as otherwise provided in the Plan (but in no event later than the Expiration Date set forth above).

[Signature Page to Follow]

By your signature and the signature of the Company's representative below, you agree that you have received a copy of the Plan and the Stock Option Agreement, and you and the Company agree that the Option described herein shall be subject to the terms of each of such document.

OPTIONEE

_____

[Recipient Name]

SILVERBACK THERAPEUTICS, INC.

By: _____

Name: Laura Shawver

Title: President and Chief Executive Officer

ANNEX I TO NOTICE OF STOCK OPTION GRANT

STOCK OPTION AGREEMENT
PURSUANT TO
SILVERBACK THERAPEUTICS, INC. 2016 EQUITY INCENTIVE PLAN

1. Grant of Option. Silverback Therapeutics, Inc. a Delaware corporation (the "**Company**"), hereby grants to [Recipient Name] ("**Optionee**"), an option (the "**Option**") to purchase up to such number of shares of Common Stock (the "**Shares**") as is set forth in the Notice of Stock Option Grant, at the exercise price per share set forth in the Notice of Stock Option Grant (the "**Exercise Price**"), subject in all cases to the terms, definitions and provisions of the Silverback Therapeutics, Inc. 2016 Equity Incentive Plan (the "**Plan**") adopted by the Company, which is incorporated herein by reference. Unless otherwise defined herein, any capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

If designated an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code (the "**Code**"), provided, however, to the extent not so designated or if this Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, in the event that the Shares subject to this Option and any other Incentive Stock Option granted to the Optionee become exercisable for the first time by Optionee during any calendar year and have an aggregate fair market value (determined for each Share as of the date of grant of each option covering such Share) in excess of $100,000, then the shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option in accordance with Section 5.8 of the Plan.

2. Exercise of Option. This Option shall be exercisable prior to the Expiration Date set forth in the Notice of Stock Option Grant in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the provisions of Section 7 of the Plan as follows:

(a) Right to Exercise.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, Disability or other termination of employment, the exercisability of the Option is governed by Sections 5, 6 and 7 below, subject to the limitations contained in Section 2(a)(iii) below.

(iii) In no event may this Option be exercised after the Expiration Date of this Option as set forth in the Notice of Stock Option Grant.

(b) Method of Exercise. This Option shall be exercisable by execution and delivery of the Exercise Notice attached hereto as Exhibit A (the "**Exercise Notice**") or of any

other form of written notice approved for such purpose by the Company, in its sole discretion, which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such shares of Common Stock as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered in person or by certified mail to the Secretary of the Company. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

No Shares will be issued pursuant to the exercise of an Option unless such issuance and such exercise shall comply with all relevant provisions of applicable law and the requirements of any stock exchange upon which the Shares may then be listed. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

3. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of Optionee by:

(a) cash or check;

(b) cancellation of indebtedness of the Company to Optionee;

(c) only with the approval of the Committee, which may be withheld in its sole discretion, by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid imputation of income under Sections 483 and 1274 of the Code;

(d) only with the approval of the Committee, which may be withheld in its sole discretion, surrender of shares of Common Stock of the Company that have a Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised; or

(f) if there is a public market for the Shares and they are registered under the Securities Exchange Act, of 1934, as amended, delivery of a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the Exercise Price, such notice to be in a form approved by the Committee.

4. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by any applicable law or regulation.

5. Termination of Relationship. In the event of Termination of Optionee, Optionee may, to the extent otherwise so entitled at the Termination Date, exercise this Option during the Termination Period set forth in the Notice of Stock Option Grant or otherwise provided for in the Plan. To the extent that Optionee was not entitled to exercise this Option at such Termination Date, or if Optionee does not exercise this Option within such Termination Period, the Option shall terminate.

6. Disability of Optionee.

(a) Notwithstanding the provisions of Section 5 above, in the event of Termination of Optionee as a result of Optionee's total and permanent Disability, Optionee may, but only within twelve (12) months from the Termination Date (but in no event later than the Expiration Date set forth in the Notice of Stock Option Grant), exercise this Option to the extent Optionee was entitled to exercise it as of such Termination Date. To the extent that Optionee was not entitled to exercise the Option as of the Termination Date, or if Optionee does not exercise such Option (to the extent so entitled) within the time specified in this Section 6(a), the Option shall terminate.

(b) Notwithstanding the provisions of Section 5 above, in the event of Termination of Optionee as a result of Disability not constituting a total and permanent Disability, Optionee may, but only within six (6) months from the Termination Date (but in no event later than the Expiration Date set forth in the Notice of Stock Option Grant), exercise the Option to the extent Optionee was entitled to exercise it as of such Termination Date; provided, however, that if this is an Incentive Stock Option and Optionee fails to exercise this Incentive Stock Option within three (3) months from the Termination Date, this Option will cease to qualify as an Incentive Stock Option (as defined in Section 422 of the Code) and Optionee will be treated for federal income tax purposes as having received ordinary income at the time of such exercise in an amount generally measured by the difference between the Exercise Price for the Shares and the Fair Market Value of the Shares on the date of exercise. To the extent that Optionee was not entitled to exercise the Option at the Termination Date, or if Optionee does not exercise such Option to the extent so entitled within the time specified in this Section 6(b), the Option shall terminate.

7. Death of Optionee. In the event of the death of Optionee (a) during the term of this Option and while an employee or consultant of the Company and having been in continuous status as an employee or consultant since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six (6) months following the date of death (but in no event later than the Expiration Date set forth in the Notice of Stock Option Grant), by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that had accrued at the Termination Date.

8. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

9. Term of Option. This Option may be exercised only prior to the Expiration Date set forth in the Notice of Stock Option Grant, subject to the limitations set forth in Section 5 of the Plan.

10. Tax Consequences.

(a) Tax Advice. OPTIONEE UNDERSTANDS THAT OPTIONEE MAY SUFFER ADVERSE TAX CONSEQUENCES AS A RESULT OF EXERCISE OF THIS OPTION OR DISPOSITION OF THE SHARES EXERCISED. OPTIONEE REPRESENTS THAT OPTIONEE HAS CONSULTED WITH OR WILL CONSULT WITH ANY TAX CONSULTANT(S) OPTIONEE DEEMS ADVISABLE PRIOR TO THE EXERCISE OF THIS OPTION OR DISPOSITION OF THE EXERCISED SHARES. OPTIONEE CONFIRMS THAT IT IS NOT RELYING ON THE COMPANY FOR ANY TAX ADVICE.

(b) Notice of Disqualifying Disposition of Incentive Stock Option Shares. If the Option granted to Optionee herein is an Incentive Stock Option, and if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the Incentive Stock Option on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

11. Withholding Tax Obligations. Prior to the issuance of the Shares upon exercise of this Option, Optionee must pay or make adequate provision for any applicable federal or state withholding obligations of the Company. If Optionee is subject at the time of exercise of this Option to Section 16(b) of the Exchange Act (an "**Insider**"), Optionee may provide for payment of Optionee's minimum statutory withholding taxes upon exercise of the Option by requesting that the Company retain Shares with a Fair Market Value equal to the minimum amount of taxes required to be withheld, all as set forth in Section 8.2 of the Plan. In such case, the Company shall issue the net number of Shares to Optionee by deducting the Shares retained from the Shares exercised.

12. Market Standoff Agreement. Optionee agrees in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Optionee will not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time after the effective date of such registration and subject to all restrictions as the Company or the underwriters may specify for employee-shareholders generally. Optionee agrees to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's public offering. Optionee further agrees that the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

13. Limitations on Transfer of Exercised Shares. In addition to any other limitation on transfer created by applicable securities laws, following exercise of this Option,

Optionee shall not assign, encumber or dispose of any interest in the exercised Shares except in compliance with the provisions below and applicable securities laws.

(a) Right of First Refusal. Before any Shares exercised by Optionee or held by any transferee of Optionee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase such Shares on the terms and conditions set forth in this Section 13(a) (the "**Right of First Refusal**").

(i) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "**Offered Price**") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) Exercise of Right of First Refusal. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) Purchase Price. The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) under this Section 13(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 13(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 13 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company

and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 13(a) notwithstanding, the transfer of any or all of the Shares during Optionee's lifetime or on Optionee's death by will or intestacy to Optionee's Immediate Family (as defined below) or a trust for the benefit of Optionee's Immediate Family shall be exempt from the provisions of this Section 13(a). "**Immediate Family**" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 13.

(b) Involuntary Transfer.

(i) Company's Right to Purchase upon Involuntary Transfer. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including divorce or death, but excluding, in the event of death, a transfer to Immediate Family as set forth in Section 13(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have the right to purchase all of the Shares transferred at the greater of the purchase price paid by Optionee pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer (as determined below). Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) Price for Involuntary Transfer. With respect to any stock to be transferred pursuant to Section 13(b)(i), "**Fair Market Value**" shall mean the price per Share determined by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Optionee or his or her executor of the price so determined within 30 days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if Optionee does not agree with the valuation as determined by the Board of Directors of the Company, Optionee shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and Optionee and whose fees shall be borne equally by the Company and Optionee.

(c) Assignment. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any stockholder or stockholders of the Company or other persons or organizations.

(d) Restrictions Binding on Transferees. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(e) Termination of Rights. The Right of First Refusal and the Company's right to repurchase the Shares in the event of an involuntary transfer pursuant to Section 13(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "**Securities Act**").

14. Ancillary Agreements.

(a) Voting Agreement. As a condition to receipt of this Option, and concurrently with the execution of this Option, Optionee hereby agrees that Optionee shall be deemed to be a "Common Holder" under, and shall be bound by the provisions of, the Amended and Restated Voting Agreement dated March 4, 2020, by and among the Company and certain equityholders of the Company party thereto, as such agreement may be amended, modified or superseded from time to time (the "**Voting Agreement**"), including without limitation the drag-along provisions under such agreement. Optionee also agrees to execute a counterpart signature page to the Voting Agreement concurrently with the execution of this Option or at any other time if requested. A copy of the Voting Agreement is available from the Company.

(b) Co-Sale Agreement. In addition, Optionee hereby agrees that if Optionee is at any time issued shares of the Company's Common Stock upon exercise of this Option and such issued shares constitute one percent (1%) or more of the Company's then outstanding Common Stock (taking into account this Option and all other shares of Common Stock, options and other purchase rights held by such employee, director or consultant and treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities held by Optionee and other parties, as if exercised or converted) or such person is an officer of the Company, as a condition to exercise of this Option, and concurrently with the exercise of this Option or at such time as Optionee exceeds such ownership threshold, Optionee shall be deemed to be a "Common Holder" under, and shall be bound by the provisions of, the Amended and Restated Right of First Refusal and Co-Sale Agreement dated March 4, 2020 by and among the Company and certain equityholders of the Company party thereto, as such agreement may be amended, modified or superseded from time to time (the "**Co-Sale Agreement**"), including without limitation the transfer restrictions under such agreement. In such case, Optionee also agrees to execute a counterpart signature page to the Co-Sale Agreement concurrently with the exercise of this Option or at any other time if requested. A copy of the Co-Sale Agreement is available from the Company.

15. Miscellaneous.

(a) Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

(b) Entire Agreement; Enforcement of Rights. The Plan and the Option Notice are hereby incorporated by reference in this Agreement. This Agreement (including the Plan and the Option Notice) sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No

modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) Construction. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or 48 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) Successors and Assigns. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Optionee under this Agreement may only be assigned with the prior written consent of the Company.

(h) No Obligation to Continue Employment or Consultancy. Nothing in this Agreement will confer or be deemed to confer on Optionee any right to continue in the employ of, or to continue any other relationship with, the Company, be deemed to modify Optionee's "at-will" status with the Company, or limit in any way the right of the Company to terminate Optionee's employment or other relationship at any time, with or without cause.

(i) Incorporation of Plan. This Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of this Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted by the Committee pursuant to the Plan. In the event of any conflict between the provisions of this Option and those of the Plan, the provisions of the Plan shall control unless expressly provided in the Plan.

[Signature Page Follows.]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

SILVERBACK THERAPEUTICS, INC.

By: _____
Laura Shawver
President and Chief Executive Officer

OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF ANY SHARES ISSUED PURSUANT TO THIS OPTION IS EARNED ONLY BY CONTINUING EMPLOYMENT OR CONSULTANCY AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, WHICH IS INCORPORATED HEREIN BY REFERENCE, SHALL CONFER UPON OPTIONEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT OR CONSULTANCY BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE OPTIONEE'S EMPLOYMENT OR CONSULTANCY AT ANY TIME, WITH OR WITHOUT CAUSE.

Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Optionee has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Option.

Dated: _____ _____
[Recipient Name]

EXHIBIT A

Notice of Exercise

Silverback Therapeutics, Inc.
500 Fairview Ave N.
Seattle, Washington 98109

Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my stock option identified below that I elect to purchase the number of shares of Common Stock of Silverback Therapeutics, Inc. (the "**Company**") set forth below for the price set forth below.

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Stock option dated:	_____	
Number of shares as to which option is exercised:	_____	
Certificates to be issued in name of:	_____	
Total exercise price:	$_____	
Cash payment delivered herewith:	$_____	

By this exercise, I agree (i) to provide such additional documents as the Company may require pursuant to the terms of its 2016 Equity Incentive Plan, (ii) to provide for the payment by me to the Company (in the manner designated by the Company) of the Company's withholding obligation, if any, relating to the exercise of this option, and (iii) if this exercise relates to an incentive stock option, to notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of Common Stock issued upon exercise of this option that occurs within two (2) years after the date of grant of this option or within one (1) year after such shares of Common Stock are issued upon exercise of this option.

I hereby make the following certifications and representations with respect to the number of shares of Common Stock of the Company listed above (the "**Shares**"), which are being acquired by me for my own account upon exercise of the Option as set forth above:

I am aware of the Company's business affairs and financial condition and have acquired sufficient information about the Company to reach an informed and knowledgeable decision to

acquire the Shares. I am purchasing the Shares for investment for my own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**").

I understand that the Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, I must hold the Shares indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. I acknowledge that the Company has no obligation to register or qualify the Shares for resale. I further acknowledge that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares, and requirements relating to the Company which are outside of my control, and which the Company is under no obligation to and may not be able to satisfy.

I understand that I may suffer adverse tax consequences as a result of my purchase or disposition of the Shares. I represent that I have consulted any tax consultants I deem advisable in connection with the purchase or disposition of the Shares and that I am not relying on the Company for any tax advice.

I understand that the Shares are subject to a right of first refusal in favor of the Company, which is applicable on both voluntary and involuntary transfers of the Shares, as set forth in Section 13 of the stock option agreement pursuant to which the Shares were issued. I understand that the Shares may be subject to other restrictions on transfer or restrictions on voting. Any transferee of the Shares will be subject to all such restrictions.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of the Option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Certificate of Incorporation, Bylaws and/or applicable securities laws.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act, I will not sell or otherwise transfer or dispose of any shares of Common Stock or other securities of the Company during such period (not to exceed one hundred eighty (180) days, except that such period may be increased as reasonably deemed necessary by the managing underwriter(s) to comply with Conduct Rule 2711 of the National Association of Securities Dealers or Rule 472 of the New York Stock Exchange or similar requirements) following the effective date of the registration statement of the Company filed under the Securities Act as may be requested by the Company or the representative of the underwriters. I further agree that the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

I further agree that in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, I will not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case

may be, for such period of time after the effective date of such registration and subject to all restrictions as the Company or the underwriters may specify for employee-shareholders generally. I agree to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's public offering. I further agree that the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

[Recipient Name]

Silverback Therapeutics, Inc.
500 Fairview Avenue North Suite 600
Seattle, WA 98109

March 6, 2020

Via Email
Laura Shawver

Dear Laura,

This will confirm the terms under which Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**") has made you an offer of employment:

1. Position and Duties. You will serve as President and Chief Executive Officer reporting the Company's Board of Directors (the "**Board**") and shall perform such duties as are ordinary, customary and necessary in such role. You will also occupy the Board seat reservedfor the Chief Executive Officer of the Company. Your start date with the Company shall be April 16, 2020. You shall devote on a full-time basis your time, skill and attention to the performance of your duties on behalf of the Company. You will devote your efforts to theinterests of the Company as set forth in the preceding sentence and will not engage in other employment or in any activities detrimental to the interests of the Company without the prior written consent of the Company. Notwithstanding the foregoing, you may serve on boards of directors of up to three (3) other entities, none of which may be a direct competitor of theCompany.

2. Proof of Right to Work; Assignment Agreement. On your first day of work you will be required to prove your eligibility for employment under the Immigration and Reform Control Act of 1986, as well as to sign and comply with the Company's standard proprietary information and invention assignment ("**PIIA**") which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company and non-disclosure of proprietary information.

3. Compensation and Benefits.

a) Salary. The Company agrees to pay you an annualized salary of $450,000.00, less applicable tax withholdings, payable as earned in accordance with the Company's customary payroll practices. Your salary shall be reviewed by the Board for possible increases annually.

b) Stock Options. Subject to approval of the Board, you will receive anoption to purchase 2,899,124 shares of the Company's common stock (the "**Option**") pursuant to the Company's 2016 Equity Incentive Plan (the "**Equity Plan**"). Such amount is 4.5% of the currently anticipated aggregate amount of all issued equity of the Company on an as exercised,as converted basis, and the number of unallocated shares in reserve in the Equity Plan, as of the Third Tranche Closing, as defined in that certain Series B Preferred Stock Purchase Agreement

entered into by the Company and the investors named therein as of March 4, 2020, as such agreement may be amended from time to time as set forth therein (the "**Series B Agreement**"). The Option will be presented to the Board for approval as soon as practical after the Company receives an updated third party valuation of the Company's common stock. The per share priceof the Option will be equal to the per share fair market value of the common stock on the date of grant, as determined by the Board. The Option will be contingent upon your executing the Company's standard stock option agreement under the Equity Plan and will also be subject to the terms set forth below. The Option will be an incentive stock option to the maximum extentunder applicable law, and the remaining amount will be a non-qualified stock option. TheOption will have an early exercise feature, subject to the Company's right of repurchase.

(i) **Vesting**. The vesting of the Option will occur in three distinct tranches composed of the following amounts: 1,788,688 shares ("**Tranche 1**"), 545,176 shares ("**Tranche 2**") and 565,260 shares ("**Tranche 3**"). Twenty-five percent (25%) of the Tranche 1 shares will vest on the one year anniversary of the Start Date, with the remaining 75% of the Tranche 1 shares to vest ratably over the following 36 months (i.e., months 13 – 48). If theSecond Tranche Closing, as defined in the Series B Agreement, occurs, the Tranche 2 sharesshall vest ratably over 48 months commencing on the one month anniversary of the Second Tranche Closing date. If the Third Tranche Closing occurs, the Tranche 3 shares shall vestratably over 48 months commencing on the one month anniversary of the Third Tranche Closing date. Vesting will cease if your services to the Company terminate.

(ii) **Accelerated Vesting**. Notwithstanding the vesting provisions set forth in Section 3(b)(i) above, in the event that the Company undergoes a Change of Control,then upon the date that a release and waiver of claims in favor of the Company in a form reasonably acceptable to the Company, or its successor, and signed by you (a "**Release**") is nolonger revocable by you, one hundred percent (100%) of the Option will automatically vest. As used herein, a "**Change of Control**" shall mean a Change of Control as defined in the EquityPlan, or any other transaction that is a Liquidation Event, as defined in the Company's Amended and Restated Certificate of Incorporation, as may be amended from time to time as set forththerein, other than a liquidation, voluntary or involuntary dissolution or winding up of the Corporation or a general assignment for the benefit of creditors.

c) Bonus Potential. You will be eligible to earn a cash bonus up to 50% of your annual base salary subject to performance milestones and other terms and conditions approved by the Board, including that you must be employed at the time the bonus payment is made, which payment shall occur at the same time as other performance based bonuses for other officers of the Company.

d) Relocation Expenses. To assist with your relocation to the Seattle, Washington area, the Company will reimburse some of the costs you incur in connection with selling your current home, moving expenses and closing costs for the purchase of a residence in the Seattle area in the amount of $30,000 ("**Relocation Reimbursement**"). The Relocation Reimbursement will be paid to you on the Start Date, and if you are terminated for Cause or you resign without Good Reason, as each such term is defined below, at any time prior to the two (2) year anniversary of your Start Date, you shall repay the Relocation Reimbursement to the Company in full within two (2) business days after such termination or resignation. In addition,

the Company will reimburse your actual travel and lodging expenses in the Seattle area that you incur prior to your relocation for a peroid of up to six (6) months and up to a maximum of$40,000. All amounts set forth in this Section 3(d) for which the Company is requried to make withholdings, shall have such amounts withheld, as applicable.

e) Severance. If at any time you are terminated without Cause or you resign with Good Reason, upon the date that a Release is no longer revocable by you, the Company will pay you twelve (12) months' of your then current base salary.

As used herein, "**Cause**" means: (i) any willful, material violation by you of any law or regulation applicable to the business of the Company (or any successor, subsidiary, parent or affiliate of the Company), (ii) your conviction for, or guilty or nolo contendere plea to, anyfelony or any willful perpetration by you of a common law fraud, (iii) your commission of an act of personal dishonesty which involves personal profit in connection with the Company (or any successor, subsidiary, parent or affiliate of the Company) or any other entity having a material business relationship with the Company, (iv) a repeated pattern of unexcused absences thatcauses substantial failure by you to perform the material duties as a director, officer, employee or consultant of the Company, (v) any continued failure or refusal by you to perform the material, lawful, duties required of you in your capacity as a director, officer, employee or consultant ofthe Company (or any successor, subsidiary, parent or affiliate of the Company if you are then primarily employed by such entity) or (vi) a material breach of any applicable invention assignment and/or confidentiality agreement or similar agreement that materially damages the Company (or any successor, subsidiary, parent or affiliate of the Company); provided, however, that as to subsections (i), (iii), (iv), (v) and (vi), Cause shall not exist unless the Company hasfirst provided you with written notice of the claimed grounds for Cause and a reasonable opportunity of not less than thirty (30) days to cure, if curable, the claimed grounds. Theforegoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to discharge or dismiss you for any acts of omissions, but such other acts or omissions shall not, for purpose of this Agreement, constitute grounds for termination for Cause.

As used herein, "**Good Reason**" means (i) the assignment to you of duties, or limitationof your responsibilities, materially and repeatedly inconsistent with your position, duties, responsibilities and status with the Company, (ii) a material reduction by the Company of your annual base salary, unless such reduction affects all officers of the Company, or (iii) therelocation of your principal place of employment to a location that is more than fifty (50) miles from your then current principal place of employment (after your relocation to the Seattle area); provided however, that in order for circumstances to provide Good Reason for your resignation, the following additional conditions must be satisfied also: (A) you resign within sixty (60) days after the initial occurrence of the circumstance giving rise to Good Reason; (B) you providenotice to the Company of the circumstance giving rise to Good Reason within thirty (30) daysafter the initial existence of such circumstance; and (C) the Company has a thirty (30) day period in which to cure such circumstance, if it is capable of being cured, and upon any such cure, you shall not be considered to have Good Reason to resign.

f) Benefits. You will be eligible to participate in regular health insurance, vacation, and other employee benefit plans established by the Company for its employees from

time to time on substantially the same terms as are made available to employees of the Company generally.

4. At-Will Employment. You will be an at-will employee of the Company, which means that the employment relationship can be terminated by either you or the Company for any reason or no reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary should be regarded by you as ineffective. Any modification or change in the at-will employment status may only occur by way of a written employment agreement signed by you and an authorized member of the Board.

5. Other Agreements. By signing this offer letter, you represent and warrant to the Company that either (a) you are not bound by any other agreement or agreements (i.e., a non-solicitation or non-compete agreement with a former employer) which would inhibit or limit in any way your ability to perform the duties required by this position or to contact, solicit, or hire any other individual or entity to work for or contract with the Company or (b) you have provided copies of any such agreements to the Company prior to signing this offer letter.

6. Section 280G. If any payments and other benefits provided for in this offer letter or otherwise constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**") and, but for this Section 6, would be subject to the excise tax imposed by Section 4999 of the Code, then payments and other benefits will be payable to you, at your election, either in full or in such lesser amounts as would result, aftertaking into account the applicable federal, state and local income taxes and the excise taximposed by Section 4999, on your receipt on an after-tax basis of the greatest amount ofpayments and other benefits, by first reducing the cash payments and then reducing the equity grants, in each case, pro rata between amounts subject to Section 409A of the Code and amounts not subject to Section 409A of the Code. Notwithstanding the foregoing, if any payment would be subject to excise tax imposed by Section 4999 but for this section, but would not be subject to such excise tax if the stockholder approval requirements of Section 280G(b)(5) of the Code are satisfied, the Company shall use its reasonable best efforts to cause any such payment to be submitted for such approval prior to the event giving rise to such payment.

7. Section 409A. Notwithstanding any other term in this letter agreement, if, at the time of your separation of employment, you are a "specified employee," as defined in Treasury Regulation § 1.409A-1(i), to the extent delayed commencement of any portion of the paymentsor benefits to which you are entitled under this letter agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, that portion of your benefits shall not be provided to you before the earlier of (a) six (6) months and one day after your separation, or (b) the date of your death. All payments deferred pursuant to this Section 7 shallbe paid in a lump sum to you on the date which is six months and one day after your separationor the date of your death, as applicable, and any remaining payments due under this agreement shall be paid as required by this letter agreement.

Notwithstanding any other term in this letter agreement: (i) no amount that constitutes "deferred compensation" under Section 409A shall be payable pursuant to Section 3(e) above unless the termination of your employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations. Any installment

payment paid pursuant to this letter agreement shall constitute a separate and distinct paymentfor purposes of Section 409A. Additionally, to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" under Section 409A, such reimbursementor benefit shall be provided no later than December 31st of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. This letter shall be construed in a manner that complies with Section 409A of the Code and the United States Treasury Department's implementing regulations for Section 409A of the Code so that none of the payments and benefits provided under this agreement will be subject to the additional tax imposed under Section 409A of the Code. All ambiguities in this agreement shall be interpreted to comply with Section 409A of the Code and the Treasury Department's implementing regulations for Section 409A of the Code. The Company and you shall cooperate, in good faith, to take all reasonable actions, including amending this letter agreement

8. Miscellaneous. This offer letter constitutes the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede allprior negotiations, representations, or agreements between you and the Company. The provisions of this agreement may only be modified by a document signed by you and the Company. This offer letter will be governed by the laws of the State of Washington.

9. Expiration. This offer shall expire on March 12, 2020, and is subject to you signing the Company's standard PIIA, a copy of which is attached for your review as Exhibit A.

Please indicate your acceptance to the foregoing terms by signing this letter where indicated below and returning it to me.

I am delighted that you will be joining our team and I am looking forward to working with you. If you have any questions, please give me a call.

Very truly yours,
Silverback Therapeutics, Inc.

By: */s/ Peter Thompson*
Peter Thompson
President & CEO

AGREED TO AND ACCEPTED BY:

/s/ Laura Shawver
Laura Shawver

Date: March 8, 2020

Enclosure: Proprietary Information and Invention Agreement

SILVERBACK THERAPEUTICS, INC.

AMENDMENT TO OFFER LETTER

This Amendment to Offer Letter is entered into by Silverback Therapeutics, Inc. (the "**Company**") and Laura Shawver ("**Shawver**") as of May 11, 2020 and amends that certain employment offer letter agreement entered into by the Company and Shawver dated March 6, 2020 (the "**Offer Letter**")

WHEREAS, the Offer Letter provides for the Company to reimburse Shawver's actual travel and lodging expenses in the Seattle area that she incurs prior to her relocation for a period of up to six (6) months and up to a maximum of $40,000.

WHEREAS, various State and county health orders with respect to the Covid-19 pandemic and related public health matters have resulted in unforeseen difficulties in connection with Shawver's near-term travel and temporary lodging in the Seattle area.

WHEREAS, in recognition of the foregoing, the parties hereto desire to eliminate the requirement that such travel and lodging expenses be incurred within a specific number ofmonths prior to Shawver's relocation to the Seattle area.

NOW, THEREFORE, the parties hereto agree as follows:

1. The penultimate sentence of Section 3(d) of the Offer Letter shall be deleted and replaced in its entirety as follows:

In addition, the Company will reimburse your actual travel and lodging expenses in the Seattle area that you incur prior to your relocation up to a maximum of $40,000.

2. Except as expressly set forth herein, all terms and conditions of the Offer Letter shall remain in full force and effect.

The parties hereto have executed this Amendment as of the date first written above.

SILVERBACK THERAPEUTICS, INC.

By: */s/ Peter Thompson*
Name: Peter Thompson
Title: Chairman of the Board of Directors

LAURA SHAWVER

/s/ Laura Shawver

SILVERBACK THERAPEUTICS, INC.

July 23, 2016

Valerie Odegard

Re: This offer supersedes offer dated July 19, 2016

Dear Valerie,

This will confirm the terms under which Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**") has made you an offer of employment:

1. Position and Duties. You will serve as Sr. Vice President, Translational Sciences such duties as are ordinary, customary and necessary in such role (subject to the limitations set forth in the next paragraph). You will report Peter Thompson although such reporting is subjectto change from time to time. Your start date with the Company shall be October 24, 2016. You shall devote your full business time, skill and attention to the performance of your duties on behalfof the Company. You will devote your efforts to the interests of the Company as set forth in the preceding sentence and will not engage in other employment or in any activities detrimental to the interests of the Company without the prior written consent of the Company.

2. Proof of Right to Work; Assignment Agreement. On your first day of work you will be required to prove your eligibility for employment under the Immigration and Reform Control Act of 1986, as well as to sign and comply with the Company's standard proprietary information and invention assignment ("**PIIA**") which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company and non-disclosure of proprietary information.

3. Compensation and Benefits.

a) Salary. The Company agrees to pay you an annualized salary of $260,000.00, payable as earned in accordance with the Company's customary payroll practices (Bi-weekly). Your salary shall be reviewed by the Board of Directors of the Company (the "**Board**") for possible increases annually.

b) Stock Options. Subject to approval of the Board, you will receive an option to purchase 225,212 shares of the Company's common stock (the "**Option**") pursuant to the Company's 2016 Equity Incentive Plan. The per share price of the Option will be equal to the per share fair market value of the common stock on the date of grant, as determined by the Board. The Option will be contingent upon you executing the Company's standard stock option agreement. So long as you continue in service with the Company, the Option will vest and become exercisable as follows:

(i) with respect to 57,204 shares of Common Stock, 25% of such amount (14,301 shares) shall become vested on the one year anniversary of your start date with the Company, with the remaining 42,903 shares becoming vested in equal monthly installments over 36 months following such one year anniversary;

(ii) with respect 84,004 shares of Common Stock, 25% of such amount (21,001 shares) shall become vested, if at all, on the one year anniversary of the Company's issuance of its Series A Preferred Stock in a Second Tranche Closing (as defined in the Company's Series A Preferred Stock Purchase Agreement), with the remaining 63,003 shares becoming vested in equal monthly installments over 36 months following such one year anniversary; and

(iii) with respect to 84,004 shares of Common Stock, 25% of such amount (21,001 shares) shall become vested, if at all, on the one year anniversary of the Company's issuance of its Series A Preferred Stock in a Third Tranche Closing (as defined in the Company's Series A Preferred Stock Purchase Agreement), with the remaining 63,003 shares becoming vested in equal monthly installments over 36 months following such one year anniversary.

For clarity, in the event that the Second Tranche Closing does not occur, no sharesof Common Stock set forth in subsection (ii) above shall vest, and in the event that the Third Tranche Closing does not occur, no shares of Common Stock set forth in subsection (iii) shall vest.

c) Bonus Potential. You will be eligible to receive a cash bonus up to 25%of your annual base salary subject to performance milestones and other terms and conditions approved by the Board. The 2016 bonus will be prorated to reflected the equivalent of a six-month period. The approved 2016 bonus payment will be paid during the first quarter of 2017.

d) Benefits. You will be eligible to participate in regular health insurance, vacation, and other employee benefit plans established by the Company for its employees from time to time on substantially the same terms as are made available to employees of the Company generally.

e) Expenses. The Company will reimburse you for all reasonable and necessary expenses incurred by you in connection with the Company's business, in accordance with any applicable policy established by the Board from time to time.

4. At-Will Employment. You will be an at will employee of the Company, which means that the employment relationship can be terminated by either you or the Company for any reason or no reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary should be regarded by you as ineffective. Any modification or change in the at-will employment status may only occur by way of a written employment agreement signed by you and an authorized member of the Board.

5. Other Agreements. By signing this offer letter, you represent and warrant to the Company that either (a) you are not bound by any other agreement or agreements (i.e., a non-solicitation or non-compete agreement with a former employer) which would inhibit or limit in any way your ability to perform the duties required by this position or to contact, solicit, or hire

any other individual or entity to work for or contract with the Company or (b) you have provided copies of any such agreements to the Company prior to signing this offer letter.

6. Miscellaneous. This offer letter constitutes the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior negotiations, representations, or agreements between you and the Company. The provisions of this agreement may only be modified by a document signed by you and the Company. This offer letter will be governed by the laws of the State of Washington.

7. Expiration. This offer shall expire on July 29,2016. Please verbally reply to this offer by this date by calling me. It is understood that the written acceptance of this offer letter will coincide with your resignation from your current position anticipated to be within 30 days to your start date above. At that time please sign the offer letter and return it with a signed copy of the Company's standard PIIA, a copy of which is attached for your review as Exhibit A.

I am delighted that you will be joining our team and I am looking forward to working with you. If you have any questions, please give me a call.

Very truly yours,

Silverback Therapeutics, Inc.

By: */s/ Peter Thompson*
Peter Thompson
President and Chief Executive Officer

AGREED TO AND ACCEPTED BY:

/s/ Valerie Odegard
Valerie Odegard

Date: 10/22/16

Enclosure: Proprietary Information and Invention Agreement

Silverback Therapeutics, Inc.
500 Fairview Avenue North Suite 600
Seattle, WA 98109

December 22, 2018

Naomi Hunder, MD
Via email

Dear Naomi,

This will confirm the terms under which Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**") has made you an offer of full-time employment:

1. Position and Duties. You will serve as Sr. Vice President, Clinical Research and Development and shall perform such duties as are ordinary, customary and necessary in such role (subject to the limitations set forth in the next paragraph). You will report to me. Your start date with the Company shall be January 14, 2019. You shall devote your full business time, skill and attention to the performance of your duties on behalf of the Company. You will devote your efforts to the interests of the Company as set forth in the preceding sentence and will not engage in other employment or in any activities detrimental to the interests of the Company without the prior written consent of the Company.

2. Proof of Right to Work; Assignment Agreement. On your first day of work you will be required to prove your eligibility for employment under the Immigration and Reform Control Act of 1986, as well as to sign and comply with the Company's standard proprietary information and invention assignment ("**PIIA**") which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company and non-disclosure of proprietary information.

3. Compensation and Benefits.

a) Salary. The Company agrees to pay you annualized salary of $340,000, payable as earned in accordance with the Company's customary payroll practices. Your salary shall be reviewed by the Board of Directors of the Company (the "**Board**") for possible increases annually.

b) Stock Options. Subject to approval of the Board, you will receive an option to purchase 164,336 shares of the Company's common stock (the "**Option**") pursuant to the Company's 2016 Equity Incentive Plan. The per share price of the Option will be equal to the per share fair market value of the common stock on the date of grant, as determined by the Board. The Option will be contingent upon you executing the Company's standard stock option agreement. The vesting schedule for this option will be detailed in the stock option agreement.

c) Bonus Potential. You will be eligible to earn a cash bonus up to 30% of your annual base salary subject to performance milestones and other terms and conditions approved by the Board.

d) Benefits. You will be eligible to participate in regular health insurance, vacation, and other employee benefit plans established by the Company for its employees from time to time on substantially the same terms as are made available to employees of the Company generally.

4. At-Will Employment. You will be an at will employee of the Company, which means

that the employment relationship can be terminated by either you or the Company for any reason or no reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary should be regarded by you as ineffective. Any modification or change in the at-will employment status may only occur by way of a written employment agreement signed by you and an authorized member of the Board.

5. Other Agreements. By signing this offer letter, you represent and warrant to the Company that either (a) you are not bound by any other agreement or agreements (i.e., a non-solicitation or non-compete agreement with a former employer) which would inhibit or limit in any way your ability to perform the duties required by this position or to contact, solicit, or hire any other individual or entity to work for or contract with the Company or (b) you have provided copies of any such agreements to the Company prior to signing this offer letter.

6. Miscellaneous. This offer letter constitutes the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior negotiations, representations, or agreements between you and the Company. The provisions of this agreement may only be modified by a document signed by you and the Company. This offer letter will be governed by the laws of the State of Washington.

7. Expiration. This offer shall expire on December 28, 2018, and is subject to you signing the Company's standard PIIA, a copy of which is attached for your review as Exhibit A.

Please indicate your acceptance to the foregoing terms by signing this letter where indicated below and returning it to Lindsay Blackner.

I am delighted that you will be joining our team and I am looking forward to working with you.

Very truly yours,
Silverback Therapeutics, Inc.

By: /s/ Peter A. Thompson
Peter A. Thompson, MD, FACP
President & CEO

AGREED TO AND ACCEPTED BY:

/s/ Naomi Hunder
Naomi Hunder

Date: December 23, 2018

Enclosure: Proprietary Information and Invention Agreement

Silverback Therapeutics | 500 Fairview Avenue N, Suite 600, Seattle, WA 98109 USA | Phone: 206-456-2900

April 17, 2020

Russ Hawkinson

Dear Russ,

This will confirm the terms under which Silverback Therapeutics, Inc., a Delaware corporation (the "**Company**") has made you an offer of employment:

1. Position and Duties. You will serve as Senior Vice President, Finance and shall perform such duties as are ordinary, customary and necessary in such role (subject to the limitations set forth in the next paragraph). You will report to the Chief Executive Officer. Your start date with the Company shall be April 20, 2020. You shall devote your full business time, skill and attention to the performance of your duties on behalf of the Company. You will devote your efforts to the interests of the Company as set forth in the preceding sentence and will not engage in other employment or in any activities detrimental to the interests of the Company without the prior written consent of the Company.

2. Proof of Right to Work; Assignment Agreement. On your first day of work you will be required to prove your eligibility for employment under the Immigration and Reform Control Act of 1986, as well as to sign and comply with the Company's standard proprietary information and invention assignment ("**PIIA**") which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company and non-disclosure of proprietary information.

3. Compensation and Benefits.

a) Salary. The Company agrees to pay you an annualized salary of $275,000, payable as earned in accordance with the Company's customary payroll practices. Your salary shall be reviewed by the Board of Directors of the Company (the "**Board**") for possible increases annually.

b) Stock Options. Subject to approval of the Board, you will receive an option to purchase 347,895 shares of the Company's common stock (the "**Option**") pursuant to the Company's 2016 Equity Incentive Plan. The per share price of the Option will be equal to the per share fair market value of the common stock on the date of grant, as determined by the Board. The Option will be contingent upon you executing the Company's standard stock option agreement. So long as you continue in service with the Company, the Option will vest and become exercisable as follows:

(i) with respect to 214,643 shares of Common Stock, 25% of such amount (53,652 shares) shall become vested on the one year anniversary of your start date with the Company, with the remaining 160,991 shares becoming vested in equal monthly installments over 36 months following such one year anniversary;

(ii) with respect 65,421 shares of Common Stock, 25% of such amount 16,344

shares) shall become vested, if at all, on the one year anniversary of the Company's issuance of its Series B Preferred Stock in a Second Tranche Closing (as defined in the Company's Series B Preferred Stock Purchase Agreement), with the remaining 49,077 shares becoming vested in equal monthly installments over 36 months following such one year anniversary; and

(iii) with respect to 67,831 shares of Common Stock, 25% of such amount (16,956 shares) shall become vested, if at all, on the one year anniversary of the Company's issuance of its Series B Preferred Stock in a Third Tranche Closing (as defined in the Company's Series B Preferred Stock Purchase Agreement), with the remaining 50,875 shares becoming vested in equal monthly installments over 36 months following such one year anniversary.

For clarity, in the event that the Second Tranche Closing does not occur, no shares of Common Stock set forth in subsection (ii) above shall vest, and in the event that the Third Tranche Closing does not occur, no shares of Common Stock set forth in subsection (iii) shall vest.

c) Bonus Potential. You will be eligible to earn a cash bonus up to 25% of your annual base salary subject to performance milestones and other terms and conditions approved by the Board.

d) Benefits. You will be eligible to participate in regular health insurance, vacation, and other employee benefit plans established by the Company for its employees from time to time on substantially the same terms as are made available to employees of the Company generally.

4. At-Will Employment. You will be an at will employee of the Company, which means that the employment relationship can be terminated by either you or the Company for any reason or no reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary should be regarded by you as ineffective. Any modification or change in the at-will employment status may only occur by way of a written employment agreement signed by you and an authorized member of the Board.

5. Other Agreements. By signing this offer letter, you represent and warrant to the Company that either (a) you are not bound by any other agreement or agreements (i.e., a non-solicitation or non-compete agreement with a former employer) which would inhibit or limit in any way your ability to perform the duties required by this position or to contact, solicit, or hire any other individual or entity to work for or contract with the Company or (b) you have provided copies of any such agreements to the Company prior to signing this offer letter.

6. Miscellaneous. This offer letter constitutes the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior negotiations, representations, or agreements between you and the Company. The provisions of this agreement may only be modified by a document signed by you and the Company. This offer letter will be governed by the laws of the State of Washington.

7. Expiration. This offer shall expire on April 20, 2020 and is subject to you signing the Company's standard PIIA, a copy of which is attached for your review as Exhibit A. If the terms of this offer are acceptable to you please sign and return a copy of this letter to Lindsay Blackner.

Please contact Lindsay or me with any questions you may have. We are delighted with the prospect of you joining our team.

Very truly yours,
Silverback Therapeutics, Inc.

By: */s/ Laura Shawver*
Laura Shawver
CEO

AGREED TO AND ACCEPTED BY:

/s/ Russ Hawkinson
Russ Hawkinson

Date: 4/17/2020

Enclosure: Proprietary Information and Invention Agreement

Exhibit 10.9

LEASE

by and between

BMR-500 FAIRVIEW AVENUE LLC,
a Delaware limited liability company

and

SILVERBACK THERAPEUTICS, INC.,
a Delaware corporation

500 Fairview Avenue North, Seattle, Washington

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LEASE

THIS LEASE (this "Lease") "is entered into as of this 8th day of June, 2016 (the "Execution Date"), by and between BMR-500 FAIRVIEW AVENUE LLC, a Delaware limited liability company ("Landlord"), and SILVERBACK THERAPEUTICS, INC., a Delaware corporation ("Tenant").

RECITALS

A. WHEREAS, pursuant to that certain Ground Lease dated January 28, 2008 (as the same may have been amended, amended and restated, supplemented or otherwise modified from time to time, the "Ground Lease"), Landlord (as ground lessee) leases from NELCHINA POINT LIMITED PARTNERSHIP, an Alaska limited partnership ("Ground Lessor") certain real property located at 500 Fairview Avenue North, Seattle, Washington 98109 (as more particularly described on Exhibit A-1 attached hereto, the "Property"); and

B. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, certain premises located on the sixth (6th) floor of the building located on the Property (the "Building") and certain storage space (the "Storage Space") located on the second (2nd) floor of the parking structure serving the Building (collectively, the "Premises") pursuant to the terms and conditions of this Lease, as detailed below; and

C. WHEREAS, an affiliate of Landlord, BMR-530 Fairview Avenue LLC ("530 Landlord"), owns certain real property located at 530 Fairview Avenue North, Seattle, Washington 98109 (the "Adjacent Property"), including the building located thereon (the "Adjacent Building").

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Lease of Premises.

1.1 Effective on the Term Commencement Date (as defined below), Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, as shown on Exhibits A-2 and A-3 attached hereto, including exclusive shafts, cable runs, mechanical spaces and rooftop areas, for use by Tenant in accordance with the Permitted Use (as defined below) and no other uses. The Property, the Adjacent Property, and all landscaping, parking facilities, private drives and other improvements and appurtenances related thereto, including the Building, the Adjacent Building and any other buildings located on the Property or the Adjacent Property, are hereinafter collectively referred to as the "Project." All portions of the Building that are for the non-exclusive use of the tenants of the Building only, and not the tenants of the Project generally, such as service corridors, stairways, elevators, public restrooms and public lobbies (all to the extent located in the Building), are hereinafter referred to as "Building Common Area." All

portions of the Project that are from time to time designated by Landlord and 530 Landlord as being for the non-exclusive use of tenants of the Project generally, including the fitness center, bike storage areas, conference rooms, driveways, sidewalks, parking areas, landscaped areas, service corridors, stairways, elevators, public restrooms and public lobbies (but excluding Building Common Area and areas from time to time designated by 530 Landlord as being for the use of tenants of the Adjacent Property only), are hereinafter referred to as "Project Common Area." The Building Common Area and Project Common Area are collectively referred to herein as "Common Area."

2. Basic Lease Provisions.

2.1 For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions. This Lease shall take effect upon the Execution Date and, except as specifically otherwise provided within this Lease, each of the provisions hereof shall be binding upon and inure to the benefit of Landlord and Tenant from the date of execution and delivery hereof by all parties hereto.

2.2 In the definitions below, each current Rentable Area (as defined below) is expressed in square feet. Rentable Area and "Tenant's Pro Rata Shares" are all subject to adjustment as provided in this Lease.

Definition or Provision	Means the Following (As of the Term Commencement Date)
Approximate Rental Area of Premises*	**19,370 square feet**
Approximate Rentable Area of Building	**122,702 square feet**
Approximate Rentable Area of Project	**223,820 square feet**
Tenant's Pro Rata Share of Building*	**15.79%**
Tenant's Pro Rata Share of Project*	**8.65%**

** Note: Subject to adjustment based upon the Rentable Area of the Premises (excluding the Storage Space) as of the Term Commencement Date.*

2.3 Monthly and annual installments of base rent ("Base Rent") for the Premises (excluding the Storage Space) as of the Term Commencement Date (as defined below), subject to adjustment under this Lease:

Dates	Square Feet of	Annual Base Rent per Square Foot of	Monthly Base Rent*	Annual Base Rent*

	Rentable Area*	Rentable Area		
Term Commencement Date – Month 4	19,370	Abated in accordance with Section 7.1 below	$ 0.00	$ 700,548.33
Months 5 – 12	19,370	$54.25	$ 87,568.54	
Months 13 – 24	19,370	$55.88	$ 90,199.64	$1,082,395.60
Months 25 – 36	19,370	$57.55	$ 92,895.30	$1,114,743.50
Months 37 – 48	19,370	$59.28	$ 95,687.80	$1,148,253.60
Months 49 – 60	19,370	$61.06	$ 98,561.02	$1,182,732.20
Months 61 – 72	19,370	$62.89	$101,514.95	$1,218,179.30
Months 73 – 84	19,370	$64.78	$104,565.72	$1,254,788.60
Months 85 – 96	19,370	$66.72	$107,697.20	$1,292,366.40
Months 97 – 108	19,370	$68.72	$110,925.54	$1,331,106.40
Months 109 – 120	19,370	$70.78	$114,250.72	$1,371,008.60

** Note: Subject to adjustment based upon the Rentable Area of the Premises (excluding the Storage Space) as of the Term Commencement Date.*

Monthly and annual installments of Base Rent for the Storage Space as of the Term Commencement Date, subject to adjustment under this Lease:

Dates	Square Feet of Rentable Area	Annual Base Rent per Square Foot of Rentable Area	Monthly Base Rent	Annual Base Rent
Term Commencement Date – Month 12	459	$ 18.00	$688.50	$8,262.00
Months 13 – 24	459	$ 18.54	$709.16	$8,509.86
Months 25 – 36	459	$ 19.10	$730.58	$8,766.90
Months 37 – 48	459	$ 19.67	$752.38	$9,028.53

Months 49 – 60	459	$20.26	$774.95	$ 9,299.34
Months 61 – 72	459	$20.87	$798.28	$ 9,579.33
Months 73 – 84	459	$21.49	$822.00	$ 9,863.91
Months 85 – 96	459	$22.14	$846.86	$10,162.26
Months 97 – 108	459	$22.80	$872.10	$10,465.20
Months 109 – 120	459	$23.49	$898.50	$10,781.91

2.4 Estimated Term Commencement Date: November 1, 2016

2.5 Estimated Term Expiration Date: October 31, 2026

2.6 Security Deposit: $950,000, subject to adjustment in accordance with the terms hereof.

2.7 Permitted Use: Office and laboratory use (except that the Storage Space shall be used solely for storage of equipment and personal property, excluding any Hazardous Materials) in conformity with all federal, state, municipal and local laws, codes, ordinances, rules and regulations of Governmental Authorities (as defined below), committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises, the Building, the Property, the Project, Landlord or Tenant, including both statutory and common law and hazardous waste rules and regulations ("Applicable Laws")

2.8 Address for Rent Payment:

BMR-500 FAIRVIEW AVENUE LLC
Attention Entity 251
P.O. Box 511415
Los Angeles, California 90051-7970

2.9 Address for Notices to Landlord:

BMR-500 FAIRVIEW AVENUE LLC
17190 Bernardo Center Drive
San Diego, California 92128
Attn: Real Estate Legal Department

2.10 Address for Notices to Tenant:

SILVERBACK THERAPEUTICS, INC.
500 Yale Ave. N
Seattle, Washington 98109

2.11 Address for Invoices to Tenant:

SILVERBACK THERAPEUTICS, INC.
500 Yale Ave. N
Seattle, Washington 98109

2.12 The following Exhibits are attached hereto and incorporated herein by reference:

Exhibit A-1	Property
Exhibit A-2	Premises
Exhibit A-3	Storage Space
Exhibit B	Work Letter
Exhibit B-1	Tenant Work Insurance Schedule
Exhibit C	Acknowledgement of Term Commencement Date and Term Expiration Date
Exhibit D	Form of Letter of Credit
Exhibit E	Rules and Regulations
Exhibit F	Tenant's Personal Property
Exhibit G	Form of Estoppel Certificate
Exhibit H	Form of Ground Lessor Recognition and Non-Disturbance Agreement
Exhibit I	Form of Memorandum of Lease
Exhibit J	Form of Termination of Memorandum of Lease

3. Term: Early Termination Option.

3.1 Term. The actual term of this Lease (as the same may be extended pursuant to Article 42 hereof, and as the same may be earlier terminated in accordance with this Lease, the "Term") shall commence on the Term Commencement Date (as defined in Article 4) and end on the date (the "Term Expiration Date") that is the last day of the one hundred twentieth (120th) month after the actual Term Commencement Date, subject to extension or earlier termination of this Lease as provided herein.

3.2 Early Termination Option. Provided that, as of the date that Tenant exercises the Early Termination Option and as of the proposed Early Termination Date, Tenant is not in Default of any monetary obligations or material non-monetary obligations under this Lease, in either case that remains uncured, Tenant shall have the one-time right to terminate this Lease (the "Early Termination Option"), effective as of the date (which shall be the last day of a month) identified by Tenant in Tenant's Early Termination Notice (the "Early Termination Date"), subject to Tenant's timely satisfaction of the following terms and conditions: (a) the Early Termination Date shall be no earlier than the last day of seventy-second (72nd) full calendar

month of the initial Term, and no later than that the last day of the eighty-fourth (84th) full calendar month of the initial Term, (b) Tenant shall deliver written notice to Landlord of Tenant's election to exercise the Early Termination Option (the "Early Termination Notice") no later than the date that is twelve (12) months prior to the Early Termination Date (the "Early Termination Deadline"), and (c) Tenant shall pay to Landlord an early termination fee, as provided in this Section (the "Early Termination Fee"). The Early Termination Fee shall be an amount that is equal to (i) One Million Four Hundred Thousand Dollars ($1,400,000), in the event the Early Termination Date occurs during the time period commencing on the last day of the seventy-second (72nd) full month of the initial Term and ending on the last day of the eighty-third (83rd) full month of the initial Term or (ii) One Million One Hundred Thousand Dollars ($1,100,000), in the event the Early Termination Date occurs during the time period commencing on the first day of the eighty-fourth (84th) full month of the initial Term and ending on the last day of the eighty-fourth (84th) full month of the initial Term; provided, in either case, the Early Termination Fee required to be paid by Tenant to effectuate the termination of the Lease as of the Early Termination Date shall be increased by the amount of any Rent that is due and payable by Tenant, regardless of whether Tenant received notice from Landlord that such Rent is outstanding. The Early Termination Fee shall be due and payable on the Early Termination Date. Time shall be of the essence as to Tenant's exercise of the Early Termination Option and Tenant's payment of the Early Termination Fee. The period of time within which Tenant may exercise the Early Termination Option and pay the Early Termination Fee shall not be extended or enlarged for any reason whatsoever, including Force Majeure (as defined below). Tenant assumes full responsibility for maintaining a record of the deadline to exercise the Early Termination Option and pay the Early Termination Fee. Tenant acknowledges that it would be inequitable to require Landlord to accept the exercise of the Early Termination Option after the Early Termination Deadline and/or the payment of the Early Termination Fee after the Early Termination Date. In the event Tenant does not timely exercise the Early Termination Option, the Early Termination Option shall be null and void, in which event this Lease shall remain in full force and effect. In addition, Tenant's failure to timely pay the Early Termination Fee shall render the Early Termination Notice null and void, in which event this Lease shall remain in full force and effect as if the Early Termination Notice had not been given. In the event that Tenant timely exercises the Early Termination Option and pays the Early Termination Fee in accordance with the provisions of this Section, then all Rent shall be paid through and apportioned as of the Early Termination Date, the Term shall terminate as of the Early Termination Date, and Landlord and Tenant shall have no further obligations under this Lease after the Early Termination Date, except with respect to those obligations which expressly survive the expiration or earlier termination of this Lease. The Early Termination Option shall be personal to and only exercisable by the original Tenant (i.e., Silverback Therapeutics, Inc.) and, in the event of an Exempt Transfer, such Tenant's Affiliate (as such terms are defined in Section 29.1), and shall only apply to the extent that the original Tenant (and not any assignee, or any sublessee or other transferee of the original Tenant's interest in this Lease, other than Tenant's Affiliate in the event of an Exempt Transfer) is the Tenant under this Lease at the time the Early Termination Notice is given.

In addition to the foregoing, Tenant's Early Termination Option shall be expressly conditioned and contingent upon Tenant negotiating exclusively and in good faith with Landlord for a period of six (6) months following the date that Landlord receives Tenant's Early Termination Notice (the "Alternate Lease Negotiation Period") regarding a lease for premises in existing improvements, or a build-to-suit lease in improvements to be constructed, in either case upon another property owned or leased by Landlord or an affiliate of Landlord (an "Alternate Lease") and a design for such premises. In consideration of Landlord granting the Early Termination Option to Tenant, during the Alternate Lease Negotiation Period, Tenant shall not actively solicit or negotiate with any other prospective landlord regarding a lease for other premises and shall negotiate exclusively with Landlord in good faith with the objective of executing a mutual acceptable lease. In the event that during such Alternate Lease Negotiation Period, either (x) Landlord and Tenant agree in writing that a suitable premises cannot be provided by Landlord or an affiliate of Landlord or (y) Tenant and Landlord or such affiliate of Landlord are unable to agree and therefore fail to execute and deliver an Alternate Lease, then Tenant shall have the right to seek space outside of the portfolio of properties owned or leased by Landlord and its affiliates.

4. Possession and Commencement Date.

4.1 The "Term Commencement Date" shall be the earlier of (a) the Estimated Term Commencement Date and (b) the day the work described in the Work Letter (the "Tenant Improvements") is Substantially Complete. Tenant shall execute and deliver to Landlord written acknowledgment of the actual Term Commencement Date and the Term Expiration Date within ten (10) days after Tenant takes occupancy of the Premises, in the form attached as Exhibit C hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the Term Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the Term Commencement Date. The term "Substantially Complete" or "Substantial Completion" means that the Tenant Improvements are substantially complete in accordance with the Approved Plans (as defined in the Work Letter), except for minor punch list items, and a temporary or permanent certificate of occupancy has been issued with respect to the Tenant Improvements.

4.2 Tenant shall cause the Tenant Improvements to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit B (the "Work Letter") at a cost to Landlord not to exceed Two Million Seven Hundred Eleven Thousand Eight Hundred Dollars ($2,711,800) (based upon One Hundred Forty Dollars ($140.00) per square foot of Rentable Area (as defined below) of the Premises (the "TI Allowance"). The TI Allowance may be applied to the costs of (m) construction, (n) reimbursement of Landlord's actual, out-of-pocket expenses for project review and project management with respect to the Tenant Improvements (which costs shall not exceed Forty Thousand Dollars ($40,000)), (o) commissioning of mechanical, electrical and plumbing systems by a licensed, qualified commissioning agent hired by Tenant, and review of such party's commissioning report by a licensed, qualified commissioning agent hired by Landlord, (p) space planning, architect, engineering and other related services performed by third parties unaffiliated with Tenant, (q) building permits and other taxes, fees, charges and levies by

Governmental Authorities (as defined below) for permits or for inspections of the Tenant Improvements, and (r) costs and expenses for labor, material, equipment and fixtures, provided that no more than five percent (5%) of the TI Allowance may be applied towards the cost of the purchase and installation of cabling and telecom improvements within the Premises. In no event shall the TI Allowance be used for (v) the cost of work that is not authorized by the Approved Plans (as defined in the Work Letter) or otherwise approved in writing by Landlord, (w) payments to Tenant or any affiliates of Tenant, (x) except as otherwise provided in this Section, the purchase of any furniture, personal property or other non-building system equipment, (y) costs resulting from any default by Tenant of its obligations under this Lease or (z) costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors). In addition to the TI Allowance, Landlord shall contribute up to Two Thousand Nine Hundred Five and 50/100 Dollars ($2,905.50) (based upon 15/100 Dollars ($0.15) per square foot of Rentable Area of the Premises) to pay the cost of developing a test fit plan for the Premises (the "Test Fit Allowance"), which shall be disbursed by Landlord directly to Tenant's architect in accordance with the Work Letter.

4.3 Tenant shall have until the date that is twelve (12) months after the Term Commencement Date (the "TI Deadline"), to expend the unused portion of the TI Allowance and the Test Fit Allowance, after which date Landlord's obligation to fund such costs shall expire.

4.4 In no event shall any unused TI Allowance or Test Fit Allowance entitle Tenant to a credit against Rent payable under this Lease. Tenant shall deliver to Landlord (a) a certificate of occupancy for the Premises suitable for the Permitted Use and (b) a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor.

4.5 Prior to entering upon the Premises (or any portion thereof), Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the provisions of Article 23 are in effect, and such entry shall be subject to all the terms and conditions of this Lease, except that prior to the Term Commencement Date, Tenant shall not be obligated to pay Base Rent or Tenant's Adjusted Share of Operating Expenses (as defined below). For clarification, notwithstanding the foregoing, Tenant shall be obligated to pay all costs of providing utilities to the Premises prior to the Term Commencement Date as set forth in Section 4.7 below.

4.6 Landlord and Tenant shall mutually agree upon the selection of the architect, engineer, general contractor and major subcontractors, and Landlord and Tenant shall each participate in the review of the competitive bid process. Landlord shall not unreasonably withhold its consent, but may refuse to approve any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony or may not have sufficient experience, in Landlord's reasonable opinion, to perform work in an occupied Class "A" laboratory research building.

4.7 At Landlord's sole cost and expense, Landlord shall provide window sills and blinds in accordance with Building standard prior to the Estimated Term Commencement Date.

5. Condition of Premises. Subject to Landlord's obligations under this Lease, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the Premises, the Building or the Project, or with respect to the suitability of the Premises, the Building or the Project for the conduct of Tenant's business. Tenant acknowledges that (a) it agrees to take the Premises in their condition "as is" as of the Execution Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the Premises for Tenant's occupancy or to pay for or construct any improvements to the Premises, except with respect to payment of the TI Allowance, the Test Fit Allowance and as otherwise expressly stated in this Lease. Tenant's taking of possession of the Premises shall, except as otherwise agreed to in writing by Landlord and Tenant and subject to Landlord's obligations hereunder, conclusively establish that the Premises, the Building and the Project were at such time in good, sanitary and satisfactory condition and repair. Notwithstanding anything to the contrary, Landlord shall deliver the Premises to Tenant on the Execution Date, free and clear of any Hazardous Materials in violation of Applicable Laws to the extent in effect and as interpreted and applied as of the Execution Date.

6. Rentable Area.

6.1 The term "Rentable Area" shall reflect such areas as reasonably calculated by Landlord's architect, as the same may be reasonably adjusted from time to time by Landlord in consultation with Landlord's architect to reflect changes to the Premises, the Building or the Project, as applicable.

6.2 The Rentable Area of the Building is generally determined by making separate calculations of Rentable Area applicable to each floor within the Building and totaling the Rentable Area of all floors within the Building. The Rentable Area of a floor is computed by measuring to the outside finished surface of the permanent outer Building walls. The full area calculated as previously set forth is included as Rentable Area, without deduction for columns and projections or vertical penetrations, including stairs, elevator shafts, flues, pipe shafts, vertical ducts and the like, as well as such items' enclosing walls.

6.3 The term "Rentable Area," when applied to the Premises, is that area equal to the usable area of the Premises, plus an equitable allocation of Rentable Area within the Building that is not then utilized or expected to be utilized as usable area, including that portion of the Building devoted to corridors, equipment rooms, restrooms, elevator lobby, atrium and mailroom.

6.4 The Rentable Area of the Project is the total Rentable Area of all buildings within the Project.

6.5 Review of allocations of Rentable Areas as between tenants of the Building and the Project shall be made as frequently as Landlord reasonably deems appropriate, including in order to facilitate an equitable apportionment of Operating Expenses (as defined below). If such review is by a licensed architect and allocations are certified by such licensed architect as being

correct, then Tenant shall be bound by such certifications, absent manifest error, so long as the calculations are commercially reasonable.

7. Rent.

7.1 Tenant shall pay to Landlord as Base Rent for the Premises, commencing on the Term Commencement Date, the sums set forth in Section 2.3. Base Rent shall be paid in equal monthly installments as set forth in Section 2.3 each in advance on the first day of each and every calendar month during the Term; provided that Base Rent for the Premises (excluding the Storage Area) shall be abated during the first four (4) months of the Term (the "Base Rent Abatement Period"). In the event the Term Commencement Date occurs on a day other than the first day of a calendar month, then monthly Base Rent payable on or before the first day of the last month of the Base Rent Abatement Period shall be a prorated amount based on the actual number of days in such calendar month following the expiration of the Base Rent Abatement Period. For purposes of clarity, Tenant shall be responsible for Base Rent for the Storage Space and for all other Rent due pursuant to the terms of this Lease during the Base Rent Abatement Period, except as otherwise expressly provided in Section 7.2 below.

7.2 In addition to Base Rent, Tenant shall pay to Landlord as additional rent ("Additional Rent") at times hereinafter specified in this Lease (a) Tenant's Adjusted Share (as defined below) of Operating Expenses (as defined below), (b) the Property Management Fee (as defined below), and (c) any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord, including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after notice and the lapse of any applicable cure periods. Notwithstanding the foregoing, Tenant's obligation to pay Tenant's Adjusted Share of Operating Expenses shall be abated during the first two (2) months of the Term (the "Operating Expenses Abatement Period"). In the event the Term Commencement Date occurs on a day other than the first day of a calendar month, then Tenant's Adjusted Share of Operating Expenses payable on or before the first day of the last month of the Operating Expenses Abatement Period shall be a prorated amount based on the actual number of days in such calendar month following the expiration of the Operating Expenses Abatement Period.

7.3 Base Rent and Additional Rent shall together be denominated "Rent." Except as otherwise expressly set forth in this Lease, Rent shall be paid to Landlord, without abatement, deduction or offset, in lawful money of the United States of America to the address set forth in Section 2.8 or to such other person or at such other place as Landlord may from time designate in writing. In the event the Term commences on a day other than the first day of a calendar month or the Term ends on a day other than the last day of a calendar month, then the Rent for such fraction of a month shall be prorated for such period on the basis of the number of days in the month and shall be paid at the then-current rate for such fractional month.

7.4 Tenant's obligation to pay Rent shall not be discharged or otherwise affected by (a) any Applicable Laws now or hereafter applicable to the Premises, (b) any other restriction on

Tenant's use, (c) except as expressly provided herein, any casualty or taking or (d) any other occurrence. Tenant's obligation to pay Rent with respect to any period or obligations arising, existing or pertaining to the period prior to the date of the expiration or earlier termination of the Term or this Lease shall survive any such expiration or earlier termination; provided, however, that nothing in this sentence shall in any way affect Tenant's obligations with respect to any other period.

8. [Intentionally Omitted.]

9. Operating Expenses.

9.1 As used herein, the term "Operating Expenses" shall include:

(a) Government impositions, including property tax costs consisting of real and personal property taxes (including amounts due under any improvement bond upon the Building or the Project (including the parcel or parcels of real property upon which the Building, the other buildings in the Project and areas serving the Building and the Project are located)) or assessments in lieu thereof imposed by any federal, state, regional, local or municipal governmental authority, agency or subdivision (each, a "Governmental Authority"); taxes on or measured by gross rentals received from the rental of space in the Project; taxes based on the square footage of the Premises, the Building or the Project, as well as any parking charges, utilities surcharges or any other costs levied, assessed or imposed by, or at the direction of, or resulting from Applicable Laws or interpretations thereof, promulgated by any Governmental Authority in connection with the use or occupancy of the Project or the parking facilities serving the Project; taxes on this transaction or any document to which Tenant is a party creating or transferring an interest in the Premises; any fee for a business license to operate an office building; and any expenses, including the reasonable cost of attorneys or experts, reasonably incurred by Landlord in seeking reduction by the taxing authority of the applicable taxes, less tax refunds obtained as a result of an application for review thereof; and

(b) All other costs of any kind paid or incurred by Landlord in connection with the operation or maintenance of the Building and the Project, which shall include Project office rent at fair market rental for a commercially reasonable amount of space for Project management personnel, to the extent an office used for Project operations is maintained at the Project, plus customary expenses for such office, and costs of repairs and replacements to improvements within the Project as reasonably appropriate to maintain the Project as required hereunder; costs of utilities furnished to the Common Area; sewer fees; cable television; trash collection; cleaning, including windows; heating, ventilation and air-conditioning ("HVAC"); maintenance of landscaping and grounds; maintenance of drives and parking areas; maintenance of the roof; security services and devices; building supplies; maintenance or replacement of equipment utilized for operation and maintenance of the Project; license, permit and inspection fees; sales, use and excise taxes on goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Building or Project systems and equipment; telephone, postage, stationery supplies and other reasonable expenses incurred in connection with the operation, maintenance or repair of the Project; accounting, legal and other professional fees

and expenses reasonably incurred in connection with the Project; costs of furniture, draperies, carpeting, landscaping, snow removal and other customary and ordinary items of personal property provided by Landlord for use in Common Area or in the Project office; capital expenditures incurred (i) in replacing obsolete equipment, (ii) for the primary purpose of reducing Operating Expenses, or (iii) required by any Governmental Authority to comply with changes in Applicable Laws that take effect after the Execution Date or to ensure continued compliance with Applicable Laws in effect as of the Execution Date, in each case amortized over the useful life thereof, as reasonably determined by Landlord, in accordance with generally accepted accounting principles; costs of complying with Applicable Laws (except to the extent such costs are incurred to remedy non-compliance as of the Execution Date with Applicable Laws, provided that such non-compliance was not caused by Tenant or any Tenant Party); costs to keep the Project in compliance with, or costs or fees otherwise required under, any CC&Rs (as defined below), including condominium fees; insurance premiums, including premiums for commercial general liability, property casualty, earthquake, terrorism and environmental coverages; portions of insured losses paid by Landlord as part of the deductible portion of a loss pursuant to the terms of insurance policies; service contracts; costs of services of independent contractors retained to do work of a nature referenced above; and costs of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation and maintenance of the Project, its equipment, the adjacent walks, landscaped areas, drives and parking areas, including janitors, floor waxers, window washers, watchmen, gardeners, sweepers, plow truck drivers, handymen, and engineering/maintenance/facilities personnel. Notwithstanding any of the foregoing, any insurance deductibles included in Operating Expenses shall be amortized over the useful life of the repairs constituting capital improvements made with such deductibles, as reasonably determined by Landlord, in accordance with generally accepted accounting principles.

(c) Notwithstanding the foregoing, Operating Expenses shall not include any net income, franchise, capital stock, estate or inheritance taxes, or taxes that are the personal obligation of Tenant or of another tenant of the Project; any leasing commissions; expenses that relate to preparation of rental space for a tenant; expenses of initial development and construction, including grading, paving, landscaping and decorating (as distinguished from maintenance, repair and replacement of the foregoing); legal expenses relating to other tenants; any costs or expenses relating solely to another tenant; costs of repairs to the extent reimbursed by (i) a third party, including pursuant to a warranty (outside of any tenant's operating expense payments), or (ii) payment of insurance proceeds received by Landlord (or that would have been reimbursed had Landlord carried insurance required by this Lease); interest upon loans to Landlord or secured by a mortgage or deed of trust covering the Project or a portion thereof (provided that interest upon a government assessment or improvement bond payable in installments shall constitute an Operating Expense under Subsection 9.1(a)); salaries of employees of Landlord above those performing property management and facilities management duties at the Project; depreciation claimed by Landlord for tax purposes (provided that this exclusion of depreciation is not intended to delete from Operating Expenses actual costs of repairs and replacements that are provided for in Subsection 9.1(b)); taxes that are excluded from Operating Expenses by the last sentence of Subsection 9.1(a); costs or expenses related to the

construction of any Building specialty areas, such as Building conference facilities, café, fitness center, loading dock(s) and outdoor meeting space/deck, except as expressly permitted by Section 9.1(b) above; advertising and promotional expenses and other costs incurred in procuring tenants or in selling the Building or Project; legal fees incurred in connection with contract disputes with suppliers; costs of renovating or otherwise improving or decorating space for any tenant or other occupant of the Building or Project, including Tenant, or relocating any tenant; financing costs, including interest and principal amortization of debts and the costs of providing the same; rental on ground leases or other underlying leases and the costs of providing the same; wages, bonuses and other compensation of employees not performing property management or facilities management duties with respect to the Building or the Project; any liabilities, costs or expenses associated with or incurred in connection with the removal, enclosure, encapsulation or other handling of asbestos or other hazardous or toxic materials or substances to the extent existing as of the Term Commencement Date and not caused or exacerbated by Tenant or any Tenant Party, and the cost of defending against claims in regard to the existence or release of, Hazardous Materials to the extent existing at the Building or Project as of the Term Commencement Date and not caused or exacerbated by Tenant or any Tenant Party (except with respect to those costs for which Tenant is otherwise responsible pursuant to the express terms of this Lease); costs of any items for which, and to the extent, Landlord is paid or reimbursed by insurance; increased insurance or real estate taxes to the extent paid by any tenant of the Building or Project or for which Landlord is reimbursed from any other tenant; charges for electricity, water, or other utilities, services or goods and applicable taxes for which Tenant or any other tenant, occupant, person or other party reimburses Landlord or pays to third parties; any violation of Applicable Laws to the extent that such violation exists as of the Term Commencement Date and was not caused by Tenant or any Tenant Party; cost of any HVAC, janitorial or other services provided to tenants on an extra cost basis after regular Business Hours (as defined below) and for which such tenants reimburse Landlord; any costs, expenses, bonds, assessments, entitlement or permit fees or subsidies or other fees associated with the initial construction of the Building or Project by Landlord; cost of any work or service performed on an extra cost basis for any tenant in the Building or Project to a materially greater extent or in a materially more favorable manner than furnished generally to the tenants and other occupants; cost of any work or services performed for any facility other than the Building or Project; any cost representing an amount paid to a person, firm, corporation or other entity related to Landlord that is in excess of the amount which would have been paid in the absence of such relationship; any cost of painting or decorating any interior parts of the Building or Project other than Common Areas; any cost associated with operating an on- or off-site management office for the Building or Project, other than as expressly provided in Section 9.1(b); Landlord's general overhead and any other expense not directly attributable to operation and management of the Building and Project (e.g., the activities of Landlord's officers and executives or professional development expenditures); cost of initial cleaning and rubbish removal from the Building or Project to be performed before final completion of the base building or tenant space; cost of initial landscaping of the Building or Project; attorneys' fees, accounting fees and other expenditures incurred in connection with negotiations, disputes and claims of other tenants or occupants of the Building or Project or with other third parties, except as specifically otherwise provided in this Lease; cost of initial stock of tools and equipment for operation, repair and maintenance of the Building or Project; capital

expenses (except as allowed under Section 9.1(b) above); late fees or charges incurred by Landlord due to late payment of expenses resulting from Landlord's negligence or willful misconduct; cost of acquiring, securing, cleaning or maintaining sculptures, paintings and other works of art in excess of $25,000 in total; taxes on Landlord's business (such as income, excess profits, franchise, capital stock, estate, inheritance, etc.); charitable or political contributions; costs and expenses incurred in connection with compliance with or the contesting or settlement of any claimed violation of law or requirements of law to the extent that such violation existed as of the Term Commencement Date and was not caused by Tenant or any Tenant Party; direct costs or allocable costs associated with parking operations if there is a separate charge to Tenant, other tenants or the public for parking; costs expressly excluded from Operating Expenses elsewhere in this Lease or that are charged to or paid by Tenant under other provisions of this Lease; professional fees and disbursements and other costs and expenses related to the ownership (as opposed to the use, occupancy, operation, maintenance or repair) of the Project; and all other items to the extent that another party compensates or pays Landlord for such item so that Landlord shall not recover any item of cost more than once. To the extent that Tenant uses more than Tenant's Pro Rata Share of any item of Operating Expenses, Tenant shall pay Landlord for such excess in addition to Tenant's obligation to pay Tenant's Pro Rata Share of Operating Expenses (such excess, together with Tenant's Pro Rata Share, "Tenant's Adjusted Share"); provided Landlord shall reasonably endeavor to make such determination and apply such adjustments in a non-discriminatory manner with respect to the tenants of the Project.

9.2 Tenant shall pay to Landlord on the first day of each calendar month of the Term, as Additional Rent, (a) the Property Management Fee (as defined below), and (b) Landlord's estimate of Tenant's Adjusted Share of Operating Expenses with respect to the Building and the Project, as applicable, for such month.

(w) The "Property Management Fee" shall equal three percent (3%) of Base Rent due from Tenant. Tenant shall pay the Property Management Fee in accordance with Section 9.2 with respect to the entire Term, including any extensions thereof or any holdover periods, regardless of whether Tenant is obligated to pay Base Rent, Operating Expenses or any other Rent with respect to any such period or portion thereof.

(x) Within ninety (90) days after the conclusion of each calendar year (or such longer period as may be reasonably required by Landlord), Landlord shall furnish to Tenant a statement showing in reasonable detail the actual Operating Expenses, Tenant's Adjusted Share of Operating Expenses, and the cost of providing utilities to the Premises for the previous calendar year ("Landlord's Statement"). Any additional sum due from Tenant to Landlord shall be due and payable within thirty (30) days after receipt of an invoice therefor. If the amounts paid by Tenant pursuant to this Section exceed Tenant's Adjusted Share of Operating Expenses for the previous calendar year, then Landlord shall credit the difference against the Rent next due and owing from Tenant; provided that, if the Lease term has expired, Landlord shall accompany Landlord's Statement with payment for the amount of such difference.

(y) Any amount due under this Section for any period that is less than a full month shall be prorated for such fractional month on the basis of the number of days in themonth.

9.3 Landlord may, from time to time, modify Landlord's calculation and allocation procedures for Operating Expenses, so long as such modifications produce Dollar results substantially consistent with Landlord's then-current practice at the Project. Since the Project consists of multiple buildings, certain Operating Expenses may pertain to a particular building(s) and other Operating Expenses to the Project as a whole. Landlord reserves the right in its reasonable discretion to allocate any such costs applicable to any particular building within the Project solely to such building rather than the Project as a whole, and other such costs applicable to the Project as a whole among the buildings in the Project (which may include the Building), with the tenants in each building being responsible for paying their respective shares of such building costs to the extent required under their leases. If Landlord allocates certain costs to the Building as well as other building(s) in the Project, said costs shall be included in the Operating Expenses for the Project as a whole; if Landlord allocates certain Operating Expenses to the Building only, Tenant shall only be responsible for that amount of Operating Expenses equal to Tenant's Pro Rata Share of the Building. Landlord shall allocate such costs among the buildings (including the Building) in a reasonable, non-discriminatory manner, and such allocation shall be binding on Tenant. To the extent that Landlord and affiliate(s) of Landlord currently own other property(ies) adjacent to the Project or its neighboring properties (collectively, "Neighboring Properties") then in connection with Landlord performing services for the Project pursuant to this Lease, similar services may be performed by the same vendor(s) for Neighboring Properties, as long as Tenant does not bear the additional cost of such services to Neighboring Properties in excess of the cost of such services if they were provided solely to the Project. In such a case, Landlord shall reasonably allocate to the Building or Project (as applicable) the costs for such services based upon the ratio that the Rentable Area of the Building or Project (as applicable) bears to the total Rentable Area of all of the Neighboring Properties or buildings on the Neighboring Properties (as applicable) for which the services are performed, unless the scope of the services performed for any building or property (including the Building and the Project) is disproportionately more or less than for others, in which case Landlord shall equitably allocate the costs based on the scope of the services being performed for each building or property (including the Building and the Project).

9.4 Landlord's Statement shall be final and binding upon Tenant unless Tenant, within ninety (90) days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reasons therefor. If, during such ninety (90)-day period, Tenant reasonably and in good faith questions or contests the correctness of Landlord's Statement, Landlord shall provide Tenant with reasonable access to review Landlord's books and records to the extent relevant to determination of Operating Expenses, and such other information as Landlord reasonably determines to be responsive to Tenant's written inquiries regarding the same. In the event that, after Tenant's review of such information, Landlord and Tenant (both acting in good faith) cannot agree upon the amount stated in Landlord's Statement, then Tenant shall have the right to have an independent public

accounting firm hired by Tenant (and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay) on an hourly basis and not on a contingent-fee basis (at Tenant's sole cost and expense except as provided below), subject to a reasonable confidentiality agreement, audit and review such of Landlord's books and records for the year in question as directly relate to the determination of Operating Expenses for such year (the "Independent Review"). Landlord shall make such books and records available at the location where Landlord maintains them in the ordinary course of its business. Landlord need not provide copies of any books or records, provided that Tenant shall be entitled to make such copies at its expense. Tenant shall commence the Independent Review within thirty (30) days after the date Landlord has given Tenant access to Landlord's books and records for the Independent Review. Tenant shall complete the Independent Review and notify Landlord in writing of Tenant's specific objections to Landlord's calculation of Operating Expenses (including a written statement of the basis, nature and amount of each proposed adjustment) no later than ninety (90) days after Landlord has first given Tenant access to Landlord's books and records for the Independent Review. Landlord shall review the results of any such Independent Review. The parties shall endeavor in good faith to agree promptly and reasonably upon Operating Expenses taking into account the results of such Independent Review. If, as of sixty (60) days after Tenant has submitted the Independent Review to Landlord, the parties have not agreed on the appropriate adjustments to Operating Expenses, then the parties shall engage a mutually agreeable independent third party accountant with at least ten (10) years' experience in commercial real estate accounting in the Seattle, Washington area (the "Accountant"). If the parties cannot agree on the Accountant, each shall within ten (10) days after such impasse appoint an Accountant (different from the accountant and accounting firm that conducted the Independent Review) and, within ten (10) days after the appointment of both such Accountants, those two Accountants shall select a third (which cannot be the accountant and accounting firm that conducted the Independent Review). If either party fails to timely appoint an Accountant, then the Accountant the other party appoints shall be the sole Accountant. Within ten (10) days after appointment of the Accountant(s), Landlord and Tenant shall each simultaneously give the Accountants (with a copy to the other party) its determination of Operating Expenses, with such supporting data or information as each submitting party determines appropriate. Within ten (10) days after such submissions, the Accountants shall by majority vote select either Landlord's or Tenant's determination of Operating Expenses. The Accountants may not select or designate any other determination of Operating Expenses. The determination of the Accountant(s) shall bind the parties. If the parties agree or the Accountant(s) determine that Tenant's Adjusted Share of Operating Expenses actually paid by Tenant for the calendar year in question exceeded Tenant's obligations for such calendar year, then Landlord shall, at Tenant's option, either (a) credit the excess to the next succeeding installments of estimated Additional Rent or (b) pay the excess to Tenant within thirty (30) days after delivery of such results. If the parties agree or the Accountant(s) determine that Tenant's payments of Tenant's Adjusted Share of Operating Expenses for such calendar year were less than Tenant's obligation for the calendar year, then Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of such results. If it is finally agreed or determined that Landlord's Statement for any year overcharges Tenant by five percent (5%) or more, then Landlord shall reimburse Tenant all reasonable costs of such

review (including without limitation the cost of third party auditors) within thirty (30) days of Landlord's receipt of an invoice therefor.

9.5 Tenant shall not be responsible for Operating Expenses with respect to any time period prior to the Term Commencement Date; provided, however, that if Landlord shall permit Tenant possession of the Premises prior to the Term Commencement Date for purposes other than construction of the Tenant Improvements and other move-in activities, Tenant shall be responsible for Operating Expenses with respect thereto from such earlier date of possession (the Term Commencement Date or such earlier date, as applicable, the "Expense Trigger Date"), subject to Tenant's right to an abatement of Tenant's Adjusted Share of Operating Expenses under Section 7.2; and provided, further, that Landlord may annualize certain Operating Expenses incurred prior to the Expense Trigger Date over the course of the budgeted year during which the Expense Trigger Date occurs, and Tenant shall be responsible for the annualized portion of such Operating Expenses corresponding to the number of days during such year, commencing with the Expense Trigger Date, for which Tenant is otherwise liable for Operating Expenses pursuant to this Lease. Tenant's responsibility for Tenant's Adjusted Share of Operating Expenses shall continue to the latest of (a) the date of termination of the Lease, (b) the date Tenant has fully vacated the Premises and (c) if termination of the Lease is due to a Default by Tenant, then the date of rental commencement of a replacement tenant (provided such date shall not extend beyond the scheduled Term Expiration Date).

9.6 Operating Expenses for the calendar year in which Tenant's obligation to share therein commences and for the calendar year in which such obligation ceases shall be prorated on a non-discriminatory basis reasonably determined by Landlord. Expenses such as taxes, assessments and insurance premiums that are incurred for an extended time period shall be prorated based upon the time periods to which they apply so that the amounts attributed to the Premises relate in a reasonable manner to the time period wherein Tenant has an obligation to share in Operating Expenses.

9.7 Within thirty (30) days after the end of each calendar month, Tenant shall submit to Landlord an invoice, or, in the event an invoice is not available, an itemized list, of all costs and expenses that (a) Tenant has incurred (either internally or by employing third parties) during the prior month and (b) for which Tenant reasonably believes it is entitled to reimbursements from Landlord pursuant to the terms of this Lease or that Tenant reasonably believes is the responsibility of Landlord pursuant to this Lease or the Work Letter.

9.8 In the event that the Building or Project is less than fully occupied during a calendar year, Tenant acknowledges that Landlord may extrapolate Operating Expenses that vary depending on the occupancy of the Building or Project, as applicable, to equal Landlord's reasonable estimate of what such Operating Expenses would have been had the Building or Project, as applicable, been ninety-five percent (95%) occupied during such calendar year; provided, however, that Landlord shall not recover more than one hundred percent (100%) of any individual component of Operating Expenses.

10. Taxes on Tenant's Property.

10.1 Tenant shall be solely responsible for the payment of any and all taxes levied upon (a) personal property and trade fixtures located at the Premises and (b) any gross or net receipts of or sales by Tenant, and shall pay the same at least twenty (20) days prior to delinquency.

10.2 If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property or, if the assessed valuation of the Building, the Property or the Project is increased by inclusion therein of a value attributable to Tenant's personal property or trade fixtures, and if Landlord, after written notice to Tenant, pays the taxes based upon any such increase in the assessed value of the Building, the Property or the Project, then Tenant shall, upon demand, repay to Landlord the taxes so paid by Landlord.

10.3 If any improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which improvements conforming to Landlord's building standards (the "Building Standard") in other spaces in the Building are assessed, then the real property taxes and assessments levied against Landlord or the Building, the Property or the Project by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 10.2. Any such excess assessed valuation due to improvements in or alterations to space in the Project leased by other tenants at the Project shall not be included in Operating Expenses. If the records of the applicable governmental assessor's office are available and sufficiently detailed to serve as a basis for determining whether such Tenant improvements or alterations are assessed at a higher valuation than the Building Standard, then such records shall be binding on both Landlord and Tenant.

11. Security Deposit.

11.1 Tenant shall deposit with Landlord on or before the Execution Date the sum set forth in Section 2.6 (the "Security Deposit"), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the period commencing on the Execution Date and ending upon the expiration or termination of Tenant's obligations under this Lease. If Tenant Defaults (as defined below) with respect to any provision of this Lease, including any provision relating to the payment of Rent, then Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's Default. If any portion of the Security Deposit is so used or applied, then Tenant shall, within ten (10) days following demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a material breach of this Lease. The obligations of each party pursuant to this Article shall survive the expiration or earlier termination of this Lease.

11.2 In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings.

11.3 Landlord may deliver to any purchaser of Landlord's interest in the Premises the funds deposited hereunder by Tenant, and thereupon, Landlord shall be discharged from any further liability with respect to such deposit. This provision shall also apply to any subsequent transfers.

11.4 The Security Deposit, or any balance thereof remaining after application thereof in accordance with this Article 11, shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days after the expiration or earlier termination of this Lease.

11.5 If the Security Deposit shall be in cash, Landlord shall hold the Security Deposit in an account at a banking organization selected by Landlord; provided, however, that Landlord shall not be required to maintain a separate account for the Security Deposit, but may intermingle it with other funds of Landlord. Landlord shall be entitled to all interest and/or dividends, if any, accruing on the Security Deposit. Landlord shall not be required to credit Tenant with any interest for any period during which Landlord does not receive interest on the Security Deposit.

11.6 The Security Deposit may be in the form of cash, a letter of credit or any other security instrument acceptable to Landlord in its sole discretion. Tenant may at any time, except when Tenant is in Default (as defined below), deliver a letter of credit (the "L/C Security") as the entire Security Deposit, as follows:

(a) If Tenant elects to deliver L/C Security, then Tenant shall provide Landlord, and maintain in full force and effect throughout the Term and until the date that is six (6) months after the then-current Term Expiration Date, a letter of credit in the form of Exhibit D issued by an issuer reasonably satisfactory to Landlord, in the amount of the Security Deposit, with an initial term of at least one year. Landlord may require the L/C Security to be re-issued by a different issuer at any time during the Term if Landlord reasonably believes that the issuing bank of the L/C Security is or may soon become insolvent; provided, however, Landlord shall return the existing L/C Security to the existing issuer immediately upon receipt of the substitute L/C Security. If any issuer of the L/C Security shall become insolvent or placed into FDIC receivership, then Tenant shall immediately deliver to Landlord (without the requirement of notice from Landlord) substitute L/C Security issued by an issuer reasonably satisfactory to Landlord, and otherwise conforming to the requirements set forth in this Article. As used herein with respect to the issuer of the L/C Security, "insolvent" shall mean the determination of insolvency as made by such issuer's primary bank regulator *(i.e.,* the state bank supervisor for state chartered banks; the OCC or OTS, respectively, for federally chartered banks or thrifts; or the Federal Reserve for its member banks). If, at the Term Expiration Date, any Rent remains uncalculated or unpaid, then (i) Landlord shall with reasonable diligence complete any necessary calculations, (ii) Tenant shall extend the expiry date of such L/C Security from time to time as Landlord reasonably requires and (iii) in such extended period, Landlord shall not unreasonably

refuse to consent to an appropriate reduction of the L/C Security. Tenant shall reimburse Landlord's legal costs (as estimated by Landlord's counsel) in handling Landlord's acceptance of L/C Security or its replacement or extension.

(b) If Tenant delivers to Landlord satisfactory L/C Security in place of the entire Security Deposit, Landlord shall remit to Tenant any cash Security Deposit Landlord previously held.

(c) Landlord may draw upon the L/C Security, and hold and apply the proceeds in the same manner and for the same purposes as the Security Deposit, if (i) an uncured Default (as defined below) exists, (ii) as of the date that is forty-five (45) days before any L/C Security expires (even if such scheduled expiry date is after the Term Expiration Date) Tenant has not delivered to Landlord an amendment or replacement for such L/C Security, reasonably satisfactory to Landlord, extending the expiry date to the earlier of (1) six (6) months after the then-current Term Expiration Date or (2) the date that is one year after the then-current expiry date of the L/C Security, (iii) the L/C Security provides for automatic renewals, Landlord asks the issuer to confirm the current L/C Security expiry date, and the issuer fails to do so within ten (10) business days, (iv) Tenant fails to pay (when and as Landlord reasonably requires) any bank charges for Landlord's transfer of the L/C Security or (v) the issuer of the L/C Security ceases, or announces that it will cease, to maintain an office in the city where Landlord may present drafts under the L/C Security (and fails to permit drawing upon the L/C Security by overnight courier or facsimile). This Section does not limit any other provisions of this Lease allowing Landlord to draw the L/C Security under specified circumstances.

(d) Tenant shall not seek to enjoin, prevent, or otherwise interfere with Landlord's draw under L/C Security, even if it violates this Lease. Tenant acknowledges that the only effect of a wrongful draw would be to substitute a cash Security Deposit for L/C Security, causing Tenant no legally recognizable damage. Landlord shall hold the proceeds of any draw in the same manner and for the same purposes as a cash Security Deposit. In the event of a wrongful draw, the parties shall cooperate to allow Tenant to post replacement L/C Security simultaneously with the return to Tenant of the wrongfully drawn sums, and Landlord shall upon request confirm in writing to the issuer of the L/C Security that Landlord's draw was erroneous.

(e) If Landlord transfers its interest in the Premises, then Tenant shall at Tenant's expense, within five (5) business days after receiving a request from Landlord, deliver (and, if the issuer requires, Landlord shall consent to) an amendment to the L/C Security naming Landlord's grantee as substitute beneficiary. If the required Security Deposit changes while L/C Security is in force, then Tenant shall deliver (and, if the issuer requires, Landlord shall consent to) a corresponding amendment to the L/C Security.

11.7 The Security Deposit shall be reduced on the following dates (each a "Reduction Date") by the following corresponding amounts: (a) on the first day of each of the third (3rd), fourth (4th) and fifth (5th) Lease Years (as defined below), by Two Hundred Thousand Dollars ($200,000) each; and (b) on the first day of the sixth (6th) Lease Year, by One Hundred Thousand Dollars ($100,000); provided that (i) during the twelve (12) month period prior to the applicable

Reduction Date, there has not been a Default by Tenant, and (ii) no condition exists on the applicable Reduction Date that, with the passage of time or the giving of notice or both would constitute a Default (provided that if such a condition exists, but such condition is subsequently cured such that no Default occurs, then the reduction of the Security Deposit shall take place on the date of completion of such cure). Notwithstanding anything to the contrary, the Security Deposit shall not be reduced below Two Hundred Fifty Thousand Dollars ($250,000). For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Term commencing as of the Term Commencement Date.

12. Use. Tenant shall use the Premises for the Permitted Use, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

12.2 Tenant shall not use or occupy the Premises in violation of Applicable Laws; zoning ordinances; or the certificate of occupancy issued for the Building or the Project, and shall, upon five (5) days' written notice from Landlord, discontinue any use of the Premises that is declared or claimed by any Governmental Authority having jurisdiction to be a violation of any of the above, or that in Landlord's reasonable opinion violates any of the above. Tenant shall comply with any direction of any Governmental Authority having jurisdiction that shall, by reason of the nature of Tenant's particular use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof.

12.3 Tenant shall not do or permit to be done anything that will invalidate or increase the cost of any fire, environmental, extended coverage or any other insurance policy covering the Building or the Project, and shall comply with all rules, orders, regulations and requirements of the insurers of the Building and the Project, and Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article.

12.4 Tenant shall keep all doors opening onto public corridors closed, except when in use for ingress and egress.

12.5 No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made to existing locks or the mechanisms thereof without Landlord's prior written consent. Tenant shall, upon termination of this Lease, return to Landlord all keys to offices and restrooms either furnished to or otherwise procured by Tenant. In the event any key so furnished to Tenant is lost, Tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change.

12.6 No awnings or other projections shall be attached to any outside wall of the Building. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord's standard window coverings. Neither the interior nor exterior of any windows shall be coated or otherwise

sunscreened without Landlord's prior written consent, nor shall any bottles, parcels or other articles be placed on the windowsills or items attached to windows that are visible from outside the Premises. No equipment, furniture or other items of personal property shall be placed on any exterior balcony without Landlord's prior written consent.

12.7 No sign, advertisement or notice ("Signage") shall be exhibited, painted or affixed by Tenant on any part of the Premises or the Building without Landlord's prior written consent, which consent shall not be unreasonably withheld. Signage shall conform to Landlord's design criteria. At Landlord's sole cost and expense, Landlord shall provide Tenant with lobby and directory signage in the Building substantially consistent with the Signage permitted for comparable tenants in the Project, as Landlord reasonably determines. Tenant shall have the right to install Tenant's proportionate share of the Building exterior Signage, subject to all pre-existing rights of other tenants, Applicable Laws and Landlord's reasonable review and approval. For any other Signage, Tenant shall, at Tenant's own cost and expense, (a) acquire all permits for such Signage in compliance with Applicable Laws and (b) design, fabricate, install and maintain such Signage in a first-class condition. Tenant shall be responsible for reimbursing Landlord for costs incurred by Landlord in removing any of Tenant's Signage upon the expiration or earlier termination of the Lease, or at Landlord's option, Tenant shall remove such signage at its cost and shall repair any damage occasioned by such removal. Interior signs on entry doors to the Premises and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at Tenant's sole cost and expense, and shall be of a size, color and type and be located in a place acceptable to Landlord. The directory tablet shall be provided exclusively for the display of the name and location of tenants only. Without the prior written consent of Landlord, which consent shall not be unreasonably delayed or withheld, Tenant shall not place anything on the exterior of the corridor walls or corridor doors other than Landlord's standard lettering. At Landlord's option, Landlord may install any Tenant Signage, and Tenant shall pay all reasonable costs associated with such installation within thirty (30) days after demand therefor.

12.8 Tenant may only place equipment within the Premises with floor loading consistent with the Building's structural design unless Tenant obtains Landlord's prior written approval. Tenant may place such equipment only in a location designed to carry the weight of such equipment.

12.9 Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations therefrom from extending into the Common Area or other offices in the Project.

12.10 Tenant shall not (a) do or permit anything to be done in or about the Premises that shall in any way obstruct or interfere with the rights of other tenants or occupants of the Project, or injure or annoy them, (b) use or allow the Premises to be used for unlawful purposes, (c) cause, maintain or permit any nuisance or waste in, on or about the Project or (d) take any other action that would in Landlord's reasonable determination in any manner adversely affect other tenants' quiet use and enjoyment of their space or adversely impact their ability to conduct business in a professional and suitable work environment. Notwithstanding anything in this Lease to the contrary, Tenant may not install any security systems (including cameras) outside

the Premises or that record sounds or images outside the Premises without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion. Landlord shall provide an on-site security guard at the Building, Monday through Friday between the hours of 6:00 a.m. and 10:00 p.m., (y) a roving security patrol service at or around the Building during non-Business Hours, and (z) once the Building is fully occupied, an additional on-site security guard at the Building, Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m.; provided, however, by providing such security, Landlord does not assume any liability or obligation to Tenant with respect to the safety or security of the Building, the Project or the Premises, except to the extent that such liability arises directly from Landlord's gross negligence or willful misconduct. The Building will be accessible only via a security access card system or such other security system as Landlord hereafter may elect to install. The Building shall be secured and accessible only via a security access card.

12.11 Subject to Landlord's express obligations under this Lease, Tenant shall be responsible for all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the "ADA"), and Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord and its affiliates, employees, agents and contractors; and any lender, mortgagee or beneficiary (each, a "Lender" and, collectively with Landlord and its affiliates, employees, agents and contractors, the "Landlord Indemnitees") harmless from and against any demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, "Claims") arising out of any such failure of the Premises to comply with the ADA. Tenant's obligations pursuant to this Section shall survive the expiration or earlier termination of this Lease.

12.12 Except to the extent prevented from doing so by a failure of Landlord to comply with its obligations under Section 18.1 hereof. Tenant shall maintain temperature and humidity in the Premises in accordance with ASHRAE standards at all times.

12.13 Tenant shall have unrestricted access to the Premises twenty-four (24) hours a day, seven (7) days a week, every day of the year during the Term and any extension thereof, subject to such security systems and procedures as Landlord may implement from time to time. As of the Execution Date, the hours of operation of the Building (the "Business Hours") are 7 a.m. to 6 p.m. Pacific time, Monday through Friday.

13. Rules and Regulations, CC&Rs, Parking Facilities and Common Area.

13.1 Tenant shall have the non-exclusive right, in common with others, to use the Common Area in conjunction with Tenant's use of the Premises for the Permitted Use, and such use of the Common Area and Tenant's use of the Premises shall be subject to the rules and regulations adopted by Landlord and attached hereto as Exhibit E, together with such other

reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion (the "Rules and Regulations"). Tenant shall faithfully observe and comply with, and shall ensure that its contractors, subcontractors, employees, subtenants and invitees faithfully observe and comply with, the Rules and Regulations; provided that to the extent any Rules and Regulations are in direct conflict with any provision of this Lease, the terms of this Lease shall control. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or any agent, employee or invitee thereof of any of the Rules and Regulations.

13.2 This Lease is subject to any recorded covenants, conditions or restrictions on the Project or Property, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time (the "CC&Rs"). Tenant shall, at its sole cost and expense, comply with the CC&Rs.

13.3 The Building has a two and one-half (2.5) level secure sub-grade parkingstructure that accommodates approximately one hundred thirty (130) cars and can be accessed through the garage entry of the Adjacent Building. Tenant shall have a non-exclusive, irrevocable license to use Tenant's Parking Share (as defined below) of the parking spaces in the parking structure serving the Building in common on an unreserved basis with other tenants of the Building and the Project during the Term (including any extension thereof) at a cost equal to the prevailing market rate for parking (as of the Execution Date, the rate for such parking spaces shall be Two Hundred Seventy Five Dollars ($275.00) per parking space per month), which Tenant shall pay simultaneously with payments of Base Rent as Additional Rent; provided that Landlord shall not increase the rate that Landlord charges Tenant for such parking spaces more frequently than one (1) time in any twelve (12) month period, and any such increase shall not be greater than five percent (5%) of the then-current rate for such parking spaces. For purposes of this Section, "Tenant's Parking Share" shall equal one (1) space per one thousand (1,000) square feet of Rentable Area of the Premises, up to a total of nineteen (19) parking spaces. Tenant may increase or decrease the number of parking spaces licensed by Tenant pursuant to the terms of this paragraph from time to time, upon at least ten (10) days prior written notice to Landlord (not to exceed Tenant's Parking Share of parking spaces unless otherwise agreed upon in writing by Landlord).

13.4 Tenant agrees not to unreasonably overburden the parking facilities and agrees to cooperate with Landlord and other tenants in the use of the parking facilities. Landlord reserves the right to determine that parking facilities are becoming overcrowded and to limit Tenant's use thereof, provided that Tenant shall always have the option to license at least Tenant's Parking Share of parking spaces. Upon such determination, Landlord may reasonably allocate parking spaces among Tenant and other tenants of the Building or the Project. Nothing in this Section, however, is intended to create an affirmative duty on Landlord's part to monitor parking; provided that Landlord shall not grant parking rights during Business Hours to a greater number of spaces than the total number of parking spaces actually available in the parking facility.

13.5 Subject to the terms of this Lease including the Rules and Regulations and the rights of other tenants of the Project, Tenant shall have the non-exclusive right to access the freight loading dock serving the Building, at no additional cost.

14. Project Control by Landlord.

14.1 Landlord reserves full control over the Building and the Project to the extent not inconsistent with Tenant's enjoyment of the Premises as provided by this Lease. Thisreservation includes Landlord's right to subdivide the Project; convert the Building and other buildings within the Project to condominium units; change the size of the Project by selling all or a portion of the Project or adding real property and any improvements thereon to the Project; grant easements and licenses to third parties; maintain or establish ownership of the Building separate from fee title to the Property; make additions to or reconstruct portions of the Building and the Project; install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building or the Project pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises, the Building or elsewhere at the Project; and alter or relocate any other Common Area or facility, including private drives, lobbies, entrances and landscaping; provided, however, that such rights shall be exercised in a way that does not materially adversely affect Tenant's beneficial use and occupancy of the Premises, including the Permitted Use and Tenant's access to the Premises. Tenant acknowledges that Landlord specifically reserves the right to allow the exclusive use of corridors and restroom facilities located on specific floors to one or more tenants occupying such floors; provided, however, that Tenant shall not be deprived of the use of the corridors reasonably required to serve the Premises or of restroom facilities serving the floor upon which the Premises are located.

14.2 Subject to the terms and conditions of this Lease, possession of areas of the Premises necessary for utilities, services, safety and operation of the Building is reserved to Landlord.

14.3 Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder; provided that Tenant need not execute any document that creates additional liability for Tenant or that materially adversely affects Tenant's quiet enjoyment and use of the Premises as provided for in this Lease.

14.4 Landlord may, at any and all reasonable times during non-business hours (or during Business Hours, if (a) with respect to Subsections 14.4(u) through 14.4(y), Tenant so requests, and (b) with respect to Subsection 14.4(z), if Landlord so requests), and upon twenty-four (24) hours' prior notice (which may be oral or by email to the office manager or other Tenant-designated individual at the Premises; but provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (u) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (v) supply any service Landlord is required to provide hereunder, (w) alter, improve or repair any portion of the Building other than the Premises for which access to the Premises is reasonably necessary, (x) post notices of nonresponsibility, (y) access the telephone equipment,

electrical substation and fire risers and (z) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time. In connection with any such alteration, improvement or repair as described in Subsection 14.4(w), Landlord may erect in the Premises or elsewhere in the Project scaffolding and other structures reasonably required for the alteration, improvement or repair work to be performed. In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible and, except in an emergency, Landlord shall comply with Tenant's reasonable security and safety protocols. Landlord shall at all times retain a key with which to unlock all of the doors in the Premises. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

15. Quiet Enjoyment. Landlord covenants that Tenant, upon paying the Rent and performing its obligations contained in this Lease, may peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Applicable Laws and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other quiet enjoyment covenant, either express or implied.

16. Utilities and Services.

16.1 Subject to Force Majeure (as defined below) and the other provisions of this Article 16, Landlord shall provide, or cause to be provided, to the Premises during Business Hours water, gas, heat, light, power, HVAC, de-ionized water, and elevator service sufficient for the Permitted Use. Except as otherwise expressly provided in this Lease, Tenant shall pay for all water (including the cost to service, repair and replace reverse osmosis, de-ionized and other treated water), gas, heat, light, power, telephone, internet service, cable television, other telecommunications and other utilities supplied to the Premises, together with any fees, surcharges and taxes thereon. Electric power and CFM/HVAC supplied to the Premises will be separately metered (with meters installed by Landlord at Landlord's sole cost, and Tenant shall pay the costs for such electric power and CFM/HVAC supplied to the Premises as Additional Rent. If any other such utility is not separately metered to Tenant, Tenant shall pay Tenant's Adjusted Share of all charges of such utility jointly metered with other premises as Additional Rent or, in the alternative, Landlord may, at Landlord's cost, install metering equipment to measure Tenant's consumption of such other utilities. Landlord may base its bills for utilities on reasonable estimates; provided that Landlord adjusts such billings promptly thereafter or as part of the next Landlord's Statement to reflect the actual cost of providing utilities to the Premises. To the extent that Tenant uses more than Tenant's Pro Rata Share of any utilities, then Tenant shall pay Landlord for Tenant's Adjusted Share of such utilities to reflect such excess. In the event that the Building or Project is less than fully occupied during a calendar year, Tenant acknowledges that Landlord may extrapolate utility usage that varies depending on the

occupancy of the Building or Project (as applicable) to equal Landlord's reasonable estimate of what such utility usage would have been had the Building or Project, as applicable, been ninety-five percent (95%) occupied during such calendar year; provided, however, that Landlord shall not recover more than one hundred percent (100%) of the cost of such utilities. Landlord will not provide any janitorial services to the Premises. Tenant shall separately contract and pay for janitorial services for the Premises.

16.2 Except as otherwise stated in the last four sentences of this Section 16.2, Landlord shall not be liable for, nor shall any eviction of Tenant result from, the failure to furnish any utility or service, whether or not such failure is caused by accidents; breakage; casualties (to the extent not caused by the party claiming Force Majeure); Severe Weather Conditions (as defined below); physical natural disasters (but excluding weather conditions that are not Severe Weather Conditions); strikes, lockouts or other labor disturbances or labor disputes (other than labor disturbances and labor disputes resulting solely from the acts or omissions of the party claiming Force Majeure); acts of terrorism; riots or civil disturbances; wars or insurrections; shortages of materials (which shortages are not unique to the party claiming Force Majeure); government regulations, moratoria or other governmental actions, inactions or delays; failures by third parties to deliver gas, oil or another suitable fuel supply, or inability of the party claiming Force Majeure, by exercise of reasonable diligence, to obtain gas, oil or another suitable fuel; or other causes beyond the reasonable control of the party claiming that Force Majeure has occurred (collectively, "Force Majeure"); or, to the extent permitted by Applicable Laws, Landlord's negligence. In the event of such failure, Tenant shall not be entitled to termination of this Lease or any abatement or reduction of Rent, nor shall Tenant be relieved from the operation of any covenant or agreement of this Lease. "Severe Weather Conditions" means weather conditions that are materially worse than those that reasonably would be anticipated for the Property at the applicable time based on historic meteorological records. Notwithstanding anything to the contrary in this Lease, if, for more than five (5) consecutive business days following written notice to Landlord and as a direct result of Landlord's gross negligence or willful misconduct (and except to the extent that such failure is caused in whole or in part by the action or inaction of a Tenant Party (as defined below)), the provision of HVAC or other utilities to all or a material portion of the Premises that Landlord must provide pursuant to this Lease is interrupted (a "Material Services Failure"), then Tenant's Base Rent and Operating Expenses (or, to the extent that less than all of the Premises are affected, a proportionate amount (based on the Rentable Area of the Premises that is rendered unusable) of Base Rent and Operating Expenses) shall thereafter be abated until the Premises are again usable by Tenant for the Permitted Use; provided, however, that, if Landlord is diligently pursuing the restoration of such HVAC and other utilities and Landlord provides substitute HVAC and other utilities reasonably suitable for Tenant's continued use and occupancy of the Premises for the Permitted Use (e.g., supplying potable water or portable air conditioning equipment), then neither Base Rent nor Operating Expenses shall be abated. During any Material Services Failure, Tenant will cooperate with Landlord to arrange for the provision of any interrupted utility services on an interim basis via temporary measures until final corrective measures can be accomplished, and Tenant will permit Landlord the necessary access to the Premises to remedy such Material Service Failure. In the event of any interruption of HVAC or other utilities that Landlord must provide pursuant to this

Lease, regardless of the cause, Landlord shall diligently pursue the restoration of such HVAC and other utilities. Notwithstanding anything in this Lease to the contrary, but subject to Article 24 (which shall govern in the event of a casualty), the provisions of this Section shall be Tenant's sole recourse and remedy in the event of an interruption of HVAC or other utilities to the Premises, including related to Section 16.8.

16.3 Tenant shall pay for, prior to delinquency of payment therefor, any utilities and services that may be furnished to the Premises during or, if Tenant occupies the Premises after the expiration or earlier termination of the Term, after the Term, beyond those utilities provided by Landlord, including telephone, internet service, cable television and other telecommunications, together with any fees, surcharges and taxes thereon. Upon Landlord's demand, utilities and services provided to the Premises that are separately metered shall be paid by Tenant directly to the supplier of such utilities or services.

16.4 Tenant shall not, without Landlord's prior written consent, use any device in the Premises (including data processing machines) that will in any way (a) increase the amount of ventilation, air exchange, gas, steam, electricity or water required or consumed in the Premises based upon Tenant's Pro Rata Share of the Building or Project (as applicable) beyond the existing capacity of the Building or the Project usually furnished or supplied for the Permitted Use or (b) exceed Tenant's Pro Rata Share of the Building's or Project's (as applicable) capacity to provide such utilities or services.

16.5 If Tenant shall require utilities or services in excess of those usually furnished or supplied for tenants in similar spaces in the Building or the Project by reason of Tenant's equipment or extended hours of business operations outside of the Business Hours (as defined above), then Tenant shall first procure Landlord's consent for the use thereof, which consent may not be unreasonably withheld, conditioned or delayed, but Landlord may condition such consent upon the availability of such excess utilities or services, and Tenant shall pay as Additional Rent an amount equal to the cost of providing such excess utilities and services.

16.6 Landlord shall provide water in Common Area for lavatory and landscaping purposes only, which water shall be from the local municipal or similar source; provided, however, that if Landlord reasonably determines that Tenant requires, uses or consumes water provided to the Common Area for any purpose other than ordinary lavatory purposes, Landlord may install, at Landlord's sole cost and expense, a water meter ("Tenant Water Meter") and thereby measure Tenant's water consumption for all purposes. If Tenant actually requires, uses or consumes water provided to the Common Area for any purpose other than ordinary lavatory purposes, Tenant shall pay Landlord for the costs of any Tenant Water Meter and the installation and maintenance thereof during the Term. If Landlord installs a Tenant Water Meter, Tenant shall pay for water consumed, as shown on such meter, as and when bills are rendered. If Tenant fails to timely make such payments, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses incurred or payments made by Landlord for any of the reasons or purposes stated in this Section shall be deemed to be Additional Rent payable by Tenant and collectible by Landlord as such. Notwithstanding anything to the contrary in this Section, subject to Force Majeure, and subject to temporary interruptions in service for testing or

in connection with Landlord making necessary repairs or performing its maintenance obligations under this Lease or as otherwise reasonably required by Landlord in connection with the repair, maintenance or upkeep of the Building or the Project, Landlord shall provide water in the Common Area for lavatory purposes twenty-four (24) hours a day, seven (7) days a week, every day of the year.

16.7 Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and utility systems, when Landlord deems necessary or desirable, due to accident, emergency or the need to make repairs, alterations or improvements, until such repairs, alterations or improvements shall have been completed, and Landlord shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilation, air conditioning or utility service when prevented from doing so by Force Majeure; provided that Landlord shall use reasonable efforts to provide one (1) business day advance notice to Tenant (except in the event of an emergency, then Landlord shall provide prior notice to Tenant to the extent reasonable under the circumstances) of any scheduled stop in service, repair, alteration or improvement that Landlord in good faith anticipates will materially and adversely impact Tenant, and Landlord further agrees to use reasonable efforts to perform such work outside of Business Hours (except in the event of an emergency) and in a manner that minimizes any disruption to Tenant. Without limiting the foregoing, it is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of Force Majeure.

16.8 Tenant shall be entitled to use its Pro Rata Share (after deducting any power required for the Common Area) of power from the back-up generator existing at the Building as of the Execution Date (the "Generator") on a non-exclusive basis with other tenants in the Building. The cost of maintaining, repairing and replacing the Generator shall constitute Operating Expenses. Landlord expressly disclaims any warranties with regard to the Generator or the installation thereof, including any warranty of merchantability or fitness for a particular purpose. Landlord shall maintain the Generator and any equipment connecting the Generator to Tenant's automatic transfer switch in good working condition, provided, however, that Tenant shall be solely responsible, at Tenant's sole cost and expense, (and Landlord shall not be liable) for maintaining and operating Tenant's automatic transfer switch and the distribution of power from Tenant's automatic transfer switch throughout the Premises, and provided further that Landlord shall not be liable for any failure to make any repairs or to perform any maintenance of the Generator that is an obligation of Landlord unless and except to the extent that Landlord negligently fails to make such repairs or perform such maintenance and such failure persists for an unreasonable time after Tenant provides Landlord with written notice of the need for such repairs or maintenance. Upon receipt of such written notice, Landlord shall promptly commence to cure such failure and shall diligently prosecute the same to completion in accordance with Section 31.12 of this Lease. The provisions of Section 16.2 of this Lease shall apply to the Generator.

16.9 For the Premises, Landlord shall (a) maintain and operate the HVAC systems used for the Permitted Use only ("Base HVAC") and (b) subject to Subsection 16.9(a), furnish HVAC as reasonably required (except as this Lease otherwise provides) for reasonably comfortable occupancy of the Premises during Business Hours, subject to Force Majeure, casualty, eminent domain or as otherwise specified in this Article. Except as otherwise stated in the last four sentences of Section 16.2 of this Lease, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services; provided that Landlord shall diligently endeavor to cure any such interruption or impairment.

16.10 For any utilities serving the Premises for which Tenant is billed directly by such utility provider, during the Term, Tenant agrees to furnish to Landlord, but only to the extent necessary for Landlord to prepare an ENERGY STAR® Statement of Performance (or similar comprehensive utility usage report) as described below (a) any invoices or statements for such utilities within thirty (30) days after receipt of Landlord's written request therefor, however, Tenant shall not be obligated to provide such invoices or statements to Landlord if Tenant has authorized Landlord to obtain copies of such invoices or statements from the utility provider, (b) within thirty (30) days after receipt of Landlord's written request, any other utility usage information reasonably requested by Landlord, and (c) within thirty (30) days after each calendar year during the Term, authorization to allow Landlord to access Tenant's usage information necessary for Landlord to complete an ENERGY STAR® Statement of Performance (or similar comprehensive utility usage report (e.g., related to Labs 21), if requested by Landlord) and any other information reasonably requested by Landlord for the immediately preceding year; and Tenant shall comply with any other energy usage or consumption requirements required by Applicable Laws. Tenant shall retain records of utility usage at the Premises, including invoices and statements from the utility provider, for at least sixty (60) months, or such other period of time as may be requested by Landlord. Tenant acknowledges that any utility information for the Premises, the Building and the Project may be shared with third parties, including Landlord's consultants and Governmental Authorities. In the event that Tenant fails to comply with this Section, Tenant hereby authorizes Landlord to collect utility usage information directly from the applicable utility providers. In addition to the foregoing, Tenant shall comply with all Applicable Laws related to the disclosure and tracking of energy consumption at the Premises. The obligations of each party pursuant to this Section shall survive the expiration or earlier termination of this Lease.

17. Alterations.

17.1 Tenant shall make no alterations, additions or improvements other than the Tenant Improvements in or to the Premises or engage in any construction, demolition, reconstruction, renovation or other work (whether major or minor) of any kind in, at or serving the Premises ("Alterations") without Landlord's prior written approval, which approval Landlord shall not unreasonably withhold, condition or delay; provided, however, that, in the event any proposed Alteration adversely affects (a) any structural portions of the Building, including exterior walls, the roof, the foundation or slab, foundation or slab systems (including barriers and subslab systems) or the core of the Building, (b) the exterior of the Building or (c) any Building systems,

including elevator, plumbing, HVAC, electrical, security, life safety and power, then Landlord may withhold its approval in its sole and absolute discretion. Tenant shall, in making any Alterations, use only those architects, contractors, suppliers and mechanics of which Landlord has given prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. In seeking Landlord's approval, Tenant shall provide Landlord, at least fifteen (15) days in advance of any proposed construction, with plans, specifications, bid proposals, certified stamped engineering drawings and calculations by Tenant's engineer of record or architect of record (including connections to the Building's structural system, modifications to the Building's envelope, non-structural penetrations in slabs or walls, and modifications or tie-ins to life safety systems), work contracts, requests for laydown areas and such other information concerning the nature and cost of the Alterations as Landlord may reasonably request. In no event shall Tenant use or Landlord be required to approve any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony or may not have sufficient experience, in Landlord's reasonable opinion, to perform work in an occupied Class "A" laboratory research building and in lab areas. Notwithstanding the foregoing, Tenant may make strictly cosmetic changes to the Premises that do not require any permits or more than three (3) total contractors and subcontractors ("Cosmetic Alterations") without Landlord's consent; provided that (y) the cost of any Cosmetic Alterations does not exceed Fifty Thousand Dollars ($50,000.00) in any one instance or annually, (z) such Cosmetic Alterations do not (i) require any structural or other substantial modifications to the Premises, (ii) require any changes to or adversely affect the Building systems, (iii) affect the exterior of the Building or (iv) trigger any requirement under Applicable Laws that would require Landlord to make any alteration or improvement to the Premises, the Building or the Project.

17.2 Tenant shall not construct or permit to be constructed partitions or other obstructions that might interfere with free access to mechanical installation or service facilities of the Building or with other tenants' components located within the Building, or interfere with the moving of Landlord's equipment to or from the enclosures containing such installations or facilities.

17.3 Tenant shall accomplish any work performed on the Premises or the Building in such a manner as to permit any life safety systems to remain fully operable at all times.

17.4 Any work performed on the Premises, the Building or the Project by Tenant or Tenant's contractors shall be done at such times and in such manner as Landlord may from time to time reasonably designate. Tenant covenants and agrees that all work done by Tenant or Tenant's contractors shall be performed in full compliance with Applicable Laws. Within thirty (30) days after completion of any Alterations, Tenant shall provide Landlord with complete "as built" drawing print sets and electronic CADD files on disc (or files in such other current format in common use as Landlord reasonably approves or requires) showing any changes in the Premises, as well as a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems. Any such "as built" plans shall show the applicable Alterations as an

overlay on the Building as-built plans; provided that Landlord provides the Building "as built" plans to Tenant.

17.5 Before commencing any Alterations or Tenant Improvements, Tenant shall give Landlord at least fifteen (15) days' prior written notice of the proposed commencement of such work and shall, if required by Landlord, secure, at Tenant's own cost and expense, a completion and lien indemnity bond satisfactory to Landlord for such work.

17.6 Tenant shall repair any damage to the Premises caused by Tenant's removal of any property from the Premises. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if such space were otherwise occupied by Tenant. Tenant's obligations pursuant to this Section shall survive the expiration or earlier termination of this Lease.

17.7 The Premises plus any Alterations; Signage; Tenant Improvements; attached equipment, decorations, fixtures and trade fixtures; movable laboratory casework and related appliances; and other additions and improvements attached to or built into the Premises made by either of the parties (including all floor and wall coverings; paneling; sinks and related plumbing fixtures; laboratory benches; exterior venting fume hoods; walk-in freezers and refrigerators; ductwork; conduits; electrical panels and circuits; business and trade fixtures; attached machinery and equipment; and built-in furniture and cabinets, in each case, together with all additions and accessories thereto), shall (unless, prior to such construction or installation, Landlord elects otherwise in writing) at all times remain the property of Landlord, shall remain in the Premises and shall (unless, prior to construction or installation thereof, Landlord elects otherwise in writing) be surrendered to Landlord upon the expiration or earlier termination of this Lease. For the avoidance of doubt, the items listed on Exhibit F attached hereto (which Exhibit F may be updated by Tenant from and after the Term Commencement Date, subject to Landlord's written consent) constitute Tenant's property and shall be removed by Tenant upon the expiration or earlier termination of the Lease.

17.8 Notwithstanding any other provision of this Article to the contrary, in no event shall Tenant remove any improvement from the Premises as to which Landlord contributed payment, including the Tenant Improvements, without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay.

17.9 If Tenant shall fail to remove any of its property from the Premises prior to the expiration or earlier termination of this Lease, then Landlord may, at its option, remove the same in any manner that Landlord shall choose and store such effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, upon demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of such personal property.

17.10 Tenant shall pay to Landlord an amount equal to two percent (2%) of the cost to Tenant of all Alterations (other than the Tenant Improvements) to cover Landlord's overhead and expenses for plan review, engineering review, coordination, scheduling and supervision thereof For purposes of payment of such sum, Tenant shall submit to Landlord copies of all bills, invoices and statements covering the costs of such charges, accompanied by payment to Landlord of the fee set forth in this Section. Tenant shall reimburse Landlord for any extra expenses incurred by Landlord by reason of faulty work done by Tenant or its contractors, or by reason of delays caused by such work, or by reason of inadequate clean-up.

17.11 Within sixty (60) days after final completion of the Tenant Improvements or any Alterations performed by Tenant with respect to the Premises, Tenant shall submit to Landlord documentation showing the amounts expended by Tenant with respect to such Tenant Improvements and Alterations, together with supporting documentation reasonably acceptable to Landlord.

17.12 Tenant shall take, and shall cause its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Alterations or Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage.

17.13 Tenant shall require its contractors and subcontractors performing work on the Premises to name Landlord and its affiliates and Lenders as additional insureds on their respective insurance policies.

18. Repairs and Maintenance.

18.1 Landlord shall repair and maintain the structural and exterior portions and Common Area of the Building and the Project, including roofing and covering materials; foundations (excluding any architectural slabs, but including any structural slabs); exterior walls; plumbing; fire sprinkler systems (if any); base Building HVAC systems (for purposes of clarity, any supplemental HVAC serving the Premises and Tenant equipment shall not be part of the base Building HVAC and shall be Tenant's obligation to maintain and repair pursuant to Section 18.2 below); elevators; and base Building electrical systems installed or furnished by Landlord.

18.2 Except for services of Landlord, if any, required by Section 18.1, and subject to Landlord's obligations under this Lease, Tenant shall at Tenant's sole cost and expense maintain and keep the Premises (including any supplemental HVAC serving the Premises, and any other Tenant systems or equipment exclusively serving the Premises) and every part thereof in good condition and repair, damage thereto from ordinary wear and tear or from casualty and condemnation excepted (subject to the terms of Sections 24 and 25 below), and shall, within ten (10) days after receipt of written notice from Landlord, provide to Landlord any maintenance records that Landlord reasonably requests. Tenant shall, upon the expiration or sooner termination of the Term, surrender the Premises to Landlord in as good a condition as when received, ordinary wear and tear and damage by casualty and condemnation excepted (subject to the terms of Sections 24 and 25 below) and with the Tenant Improvements in substantially the

same condition as existed on the Term Commencement Date; and shall, at Landlord's request and Tenant's sole cost and expense, remove all telephone and data systems, wiring and equipment from the Premises (with respect to wiring, only to the extent installed by a Tenant Party (as defined below)), and repair any damage to the Premises caused thereby. Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof.

18.3 Landlord shall not be liable for any failure to make any repairs or to perform any maintenance that is Landlord's obligation pursuant to this Lease except to the extent that (a) such failure shall persist for an unreasonable time after Tenant provides Landlord with written notice of the need of such repairs or maintenance, or (b) such failure arises from Landlord's gross negligence or willful misconduct. Tenant shall provide written notice to Landlord of any needed maintenance or repairs which Landlord is obligated to perform under this Lease, and Landlord shall use reasonable good faith efforts to undertake such maintenance or repairs as soon as reasonably possible after receipt of such notice. Tenant waives its rights under Applicable Laws now or hereafter in effect to make repairs at Landlord's expense.

18.4 If any excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter the Premises for the purpose of performing such work as such person shall deem necessary or desirable to preserve and protect the Building from injury or damage and to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease; subject to compliance with Tenant's reasonable security procedures and so long as Landlord is using commercially reasonable efforts to minimize any material adverse interference with Tenant's use of the Premises.

18.5 This Article relates to repairs and maintenance arising in the ordinary course of operation of the Building and the Project. In the event of a casualty described in Article 24, Article 24 shall apply in lieu of this Article. In the event of eminent domain, Article 25 shall apply in lieu of this Article.

18.6 Costs incurred by Landlord pursuant to this Article shall constitute Operating Expenses, subject to the exclusions set forth in Section 9.1(c).

18.7 Notwithstanding anything to the contrary in this Lease, in the event of emergency that results in an interruption in services to the Premises that has the reasonable potential to become a material interference to the operation of Tenant's equipment or the Premises with a material adverse effect on the conduct of Tenant's business, if Landlord has not commenced restoring such services within forty-eight (48) hours after written notice from Tenant, and the failure to commence such restoration is not due to the unavailability of necessary equipment, parts, materials or labor or other Force Majeure, then Tenant shall have the right, but not the obligation, to take such action and perform such work as is reasonably necessary to repair any portion or component of the Premises, Building or the Project to the extent necessary to restore such services to the Premises; provided, however, that (a) Tenant shall give Landlord as much

advance written notice as reasonably practicable of the actions it is taking, (b) in no event shall Tenant be permitted access to, or to take any action that would reasonably be expected to affect, any equipment or facilities that serve other tenants' premises in the Building or the Project, and (c) in exercising its rights under this Section 18.7. Tenant shall be solely responsible for, and shall reimburse, indemnify, defend and hold harmless and release Landlord and its affiliates and their respective directors, officers, shareholders, members, employees, contractors and agents for, from and against, any Claims suffered or incurred by Landlord, any other tenant or any other person or entity caused by or arising from the actions taken by Tenant, including but not limited to any damage or injury to persons or property (subject to Landlord's obligations under the last sentence of this paragraph). Tenant shall use commercially reasonable efforts to minimize interference with the rights of other tenants to use their respective premises in the Building, and all work done in accordance herewith must be performed at a reasonable and competitive cost and expense. If the emergency situation resulting in the interruption of services to the Premises addressed by Tenant under this Section is due to the negligence or intentional misconduct of Landlord or its agents, contractors or employees, or if the work performed by Tenant to remedy such interruption of services to the Premises is not Tenant's sole responsibility under the terms and conditions of this Lease, then Landlord agrees to reimburse Tenant for the reasonable cost of work performed by Tenant pursuant to this Section within thirty (30) days of invoice.

19. Liens.

19.1 Subject to the immediately succeeding sentence, Tenant shall keep the Premises, the Building and the Project free from any liens arising out of work or services performed, materials furnished to or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialman's lien filed against the Premises, the Building or the Project for work or services claimed to have been done for, or materials claimed to have been furnished to, or obligations incurred by Tenant shall be discharged or bonded by Tenant within ten (10) days after the filing thereof, at Tenant's sole cost and expense.

19.2 Should Tenant fail to discharge or bond against any lien of the nature described in Section 19.1, Landlord may, at Landlord's election, pay such claim or post a statutory lien bond or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising from any such liens, including any administrative, court or other legal proceedings related to such liens.

19.3 In the event that Tenant leases or finances the acquisition of office equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Premises, the Building or the Project be furnished on a financing statementwithout qualifying language as to applicability of the lien only to removable personal property

located in an identified suite leased by Tenant. Should any holder of a financing statement record or place of record a financing statement that appears to constitute a lien against any interest of Landlord or against equipment that may be located other than within an identified suite leased by Tenant, Tenant shall, within ten (10) days after filing such financing statement, cause (a) a copy of the lender security agreement or other documents to which the financing statement pertains to be furnished to Landlord to facilitate Landlord's ability to demonstrate that the lien of such financing statement is not applicable to Landlord's interest and (b) Tenant's lender to amend such financing statement and any other documents of record to clarify that any liens imposed thereby are not applicable to any interest of Landlord in the Premises, the Building or the Project.

20. Estoppel Certificate. Tenant shall, within ten (10) business days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing substantially in the form attached to this Lease as Exhibit G or on any other form reasonably requested by a current or proposed Lender or encumbrancer or proposed purchaser, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to thisLease or the Premises as may be requested thereon. Any such statements may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Property. Tenant's failure to deliver any such statement within such the prescribed time shall, at Landlord's option, constitute a Default (as defined below) under this Lease, and, in any event, shall be binding upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

21. Hazardous Materials.

21.1 Tenant shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in or about the Premises, the Building or the Project in violation of Applicable Laws by Tenant or any of its employees, agents, contractors or invitees (collectively with Tenant, each a "Tenant Party"). If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach by Tenant results in contamination of theProject, any portion thereof, or any adjacent property, (c) contamination of the Premisesotherwise occurs during the Term or any extension or renewal hereof or holding over hereunder as a result of acts or omissions of a Tenant Party or if a Tenant Party exacerbates any existing condition involving Hazardous Materials, or (d) contamination of the Project occurs as a result of Hazardous Materials that are placed on or under or are released into the Project by a TenantParty, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Project or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Project, (y) damages arising from any adverse impact on marketing of space in the

Project or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term to the extent resulting from such breach or contamination. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Project. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Project, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Project, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Project, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Project, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Notwithstanding the foregoing, Landlord shall indemnify, save, defend (at Tenant's option and with counsel reasonably acceptable to Tenant) and hold Tenant harmless from and against any and all Claims resulting from the presence of Hazardous Materials at the Project in violation of Applicable Laws as of the date Landlord delivers the Premises to Tenant, unless placed at the Project by a Tenant Party.

21.2 Landlord acknowledges that it is not the intent of this Article to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any environmental Applicable Laws in the form of a Tier II form pursuant to Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986 (or any successor statute) or any other form reasonably requested by Landlord, (b) a list of any and all approvals or permits from Governmental Authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of (i) notices of violations of Applicable Laws related to Hazardous Materials and (ii) plans relating to the installation of any storage tanks to be installed in, on, under or about the Project (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord may withhold in its sole and absolute discretion) and closure plans or any other documents required by any and all Governmental Authorities for any storage tanks installed in, on, under or about the Project for the closure of any such storage tanks (collectively, "Hazardous Materials Documents"). Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any

Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials, in which case Tenant shall deliver updated Hazardous Materials documents (without Landlord having to request them) before or, if not practicable to do so before, as soon as reasonably practicable after the occurrence of the events in Subsection 21.2(m) or (n). For each type of Hazardous Material listed, the Hazardous Materials Documents shall include (t) the chemical name, (u) the material state (e.g., solid, liquid, gas or cryogen), (v) the concentration, (w) the storage amount and storage condition (e.g., in cabinets or not in cabinets), (x) the use amount and use condition (e.g., open use or closed use), (y) the location (e.g., room number or other identification) and (z) if known, the chemical abstract service number. Notwithstanding anything in this Section to the contrary, Tenant shall not be required to provide Landlord with any documents containing information of a proprietary nature, unless such documents contain a reference to Hazardous Materials or activities related to Hazardous Materials. Landlord may, at Landlord's expense, cause the Hazardous Materials Documents to be reviewed by a person or firm qualified to analyze Hazardous Materials to confirm compliance with the provisions of this Lease and with Applicable Laws. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

21.3 Tenant represents and warrants to Landlord that Tenant is not nor has it been, in connection with the use, disposal or storage of Hazardous Materials, (a) subject to a material enforcement order issued by any Governmental Authority or (b) required to take any remedial action.

21.4 At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Project or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or negligent omissions of a Tenant Party. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials exist at the Project in violation of this Lease.

21.5 If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws. Tenant shall have no responsibility or liability for underground or other storage tanks installed by anyone other than Tenant unless Tenant utilizes such tanks, in which case Tenant's responsibility for such tanks shall be as set forth in this Section.

21.6 Tenant shall promptly report to Landlord if Tenant reasonably believes that mold or water intrusion are present at the Premises.

21.7 Tenant's obligations under this Article shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Article 27.

21.8 As used herein, the term "Hazardous Material" means any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is or becomes regulated by Applicable Laws or any Governmental Authority.

21.9 Notwithstanding anything to the contrary in this Lease, Landlord shall have sole control over the equitable allocation of fire control areas (as defined in the Uniform Building Code as adopted by the city or municipality(ies) in which the Project is located (the "UBC")) within the Project for the storage of Hazardous Materials. Notwithstanding anything to the contrary in this Lease, the quantity of Hazardous Materials allowed by this Section is specific to Tenant and shall not run with the Lease in the event of a Transfer (as defined in Article 29). In the event of a Transfer, if the use of Hazardous Materials by such new tenant ("New Tenant") is such that New Tenant utilizes fire control areas in the Project in excess of New Tenant's Pro Rata Share of the Building or the Project, as applicable, then New Tenant shall, at its sole cost and expense and upon Landlord's written request, establish and maintain a separate area of the Premises classified by the UBC as an "H" occupancy area for the use and storage of Hazardous Materials, or take such other action as is necessary to ensure that its share of the fire control areas of the Building is not greater than New Tenant's Pro Rata Share of the Building. Notwithstanding anything in this Lease to the contrary, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of fire control areas, it being acknowledged by Tenant that Tenant and other tenants are best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

22. Odors and Exhaust.

22.1 Tenant acknowledges that Landlord would not enter into this Lease with Tenant unless Tenant assured Landlord that under no circumstances will any other occupants of the Building or the Project (including persons legally present in any outdoor areas of the Project) be subjected to odors or fumes (whether or not noxious), and that the Building and the Project will not be damaged by any exhaust, in each case from Tenant's operations. If any other tenant of the Building or the Project causes odors or fumes (whether or not noxious) to emanate from its premises, following written notice from Tenant, Landlord will use commercially reasonable efforts to enforce Landlord's rights under other Leases of the Building or Project in order to resolve such issue. Landlord and Tenant therefore agree as follows: Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises.

22.2 If the Building has a ventilation system that, in Landlord's judgment, is adequate, suitable, and appropriate to vent the Premises in a manner that does not release odors affecting any indoor or outdoor part of the Project, Tenant shall vent the Premises through such system. If Landlord at any time provides Tenant with written notice that any existing ventilation system is inadequate, or if no ventilation system exists, Tenant shall in compliance with Applicable Laws vent all fumes and odors from the Premises (and remove odors from Tenant's exhaust stream) as Landlord reasonably requires. The placement and configuration of all ventilation exhaust pipes, louvers and other equipment shall be subject to Landlord's approval. Tenant acknowledges Landlord's legitimate desire to maintain the Project (indoor and outdoor areas) in an odor-free manner, and Landlord may reasonably require Tenant to abate and remove all odors in a manner that goes beyond the requirements of Applicable Laws.

22.3 Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in Landlord's reasonable judgment be necessary or appropriate from time to time) to completely remove, eliminate and abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's reasonable judgment, emanate from Tenant's Premises. Any work Tenant performs under this Section shall constitute Alterations.

22.4 Tenant's responsibility to remove, eliminate and abate odors, fumes and exhaust shall continue throughout the Term. Landlord's approval of the Tenant Improvements shall not preclude Landlord from requiring additional measures to eliminate odors, fumes and other adverse impacts of Tenant's exhaust stream (as Landlord may designate in Landlord's discretion). Tenant shall install additional equipment as Landlord reasonably requires from time to time under the preceding sentence. Such installations shall constitute Alterations.

22.5 If Tenant fails to install satisfactory odor control equipment within ten (10) business days after Landlord's demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's reasonable determination, cause odors, fumes or exhaust; provided that if satisfactory odor control equipment cannot be installed within ten (10) business days, as long as Tenant commences such installation within ten (10) business days and thereafter diligently pursues such installation to completion within forty five (45) days after Landlord's request, then Landlord may not require Tenant's operations to cease or suspend.

23. Insurance; Waiver of Subrogation.

23.1 Landlord shall maintain insurance for the Building and the Project in amounts equal to full replacement cost (exclusive of the costs of excavation, foundations and footings, engineering costs or such other costs to the extent the same are not incurred in the event of a rebuild and without reference to depreciation taken by Landlord upon its books or tax returns) or such lesser coverage as Landlord may elect, provided that such coverage shall not be less than the amount of such insurance Landlord's Lender, if any, requires Landlord to maintain, providing protection against any peril generally included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage (if applicable), vandalism and

malicious mischief. Landlord, subject to availability thereof, shall further insure, if Landlord deems it appropriate, coverage against flood, environmental hazard, earthquake, loss or failure of building equipment, rental loss during the period of repairs or rebuilding, Workers' Compensation insurance and fidelity bonds for employees employed to perform services. Notwithstanding the foregoing, Landlord may, but shall not be deemed required to, provide insurance for any improvements installed by Tenant or that are in addition to the standard improvements customarily furnished by Landlord, without regard to whether or not such are made a part of or are affixed to the Building.

23.2 In addition, Landlord shall carry Commercial General Liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence/general aggregate for bodily injury (including death), or property damage with respect to the Project.

23.3 Tenant shall, at its own cost and expense, procure and maintain during the Term the following insurance for the benefit of Tenant and Landlord (as their interests may appear) with insurers who have a minimum A.M. Best's rating of A-VII and lawfully authorized to do business in the state where the Premises are located:

(a) Commercial General Liability insurance on an occurrence coverage form, with coverages including but not limited to bodily injury (including death), property damage (including loss of use resulting therefrom), premises/operations, personal & advertising injury, and contractual liability with limits of liability of not less than $2,000,000 for bodily injury and property damage per occurrence, $2,000,000 general aggregate, which limits may be met by use of excess and/or umbrella liability insurance.

(b) Commercial Automobile Liability insurance covering liability arising from the use or operation of any auto, including those owned, hired or otherwise operated or used by or on behalf of the Tenant. The coverage shall be on a broad-based occurrence form with combined single limits of not less than $1,000,000 per accident for bodily injury and property damage.

(c) Commercial Property insurance covering property damage to the full replacement cost value and business interruption. Covered property shall not include permanent improvements in the Premises installed by Tenant or furnished by Landlord which shall be insured by Landlord pursuant to Section 23.1, but shall include Tenant's Property including personal property, furniture, fixtures, machinery, equipment, stock, inventory and improvements and betterments, which may be owned by Tenant and required to be insured hereunder, or which may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance, with respect only to all Tenant Improvements, Alterations or other work performed on the Premises by Tenant (collectively, "Tenant Work"), shall name Landlord and Landlord's current and future mortgagees as loss payees as their interests may appear. Such insurance shall be written on an "all risk" of physical loss or damage basis including the perils of fire, extended coverage, electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, earthquake and such other risks Landlord may from time to time designate that are generally

required by landlords of similar properties in accordance with prudent business practices, for the full replacement cost value of the covered items with an agreed amount endorsement with no co-insurance. Business interruption coverage shall have limits sufficient to cover Tenant's lost profits and necessary continuing expenses, including rents due Landlord under the Lease. The minimum period of indemnity for business interruption coverage shall be twelve (12) months.

(d) Workers' Compensation insurance as is required by statute or law, or as may be available on a voluntary basis and Employers' Liability insurance with limits of not less than the following: each accident, Five Hundred Thousand Dollars ($500,000); disease ($500,000); disease (each employee), Five Hundred Thousand Dollars ($500,000).

(e) Landlord shall have the right to require that Tenant procure Pollution Legal Liability insurance if there is any material change to the amounts or types of Hazardous Materials that Tenant stores, handles, generates or treats on or about the Premises. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of this agreement, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate and for a period of two (2) years thereafter.

(0 During all construction by Tenant at the Premises, with respect to tenant improvements being constructed (including the Tenant Improvements and any Alterations, insurance required in Exhibit B-1 must be in place.

23.4 The insurance required of Tenant by this Article shall be with companies at all times having a current rating of not less than A- and financial category rating of at least Class VII in "A.M. Best's Insurance Guide" current edition. Tenant shall obtain for Landlord from the insurance companies/broker or cause the insurance companies/broker to furnish certificates of insurance evidencing all coverages required herein to Landlord. Landlord reserves the right to require complete copies of all required insurance policies including any endorsements. No such policy shall be cancelled or reduced in coverage except after twenty (20) days' prior written notice to Landlord from Tenant or its insurers (except in the event of non-payment of premium, in which case ten (10) days' written notice shall be given). All such policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's required policies shall contain severability of interests clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional

insured. Tenant shall furnish Landlord with renewal certificates of insurance or binders as soon as reasonably practicable, but in no event later than ten (10) days after such renewal. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent. Commercial General Liability, Commercial Automobile Liability, Umbrella Liability and Pollution Legal Liability insurance as required above shall name Ground Lessor, Landlord, BioMed Realty, L.P., and BRE Edison Parent L.P., and their respective officers, employees, agents, general partners, members, subsidiaries, affiliates and Lenders ("Landlord Parties") as additional insureds as respects liability arising from work or operations performed by or on behalf of Tenant, Tenant's use or occupancy of Premises, and ownership, maintenance or use of vehicles by or on behalf of Tenant.

23.5 In each instance where insurance is to name Landlord Parties as additional insureds, Tenant shall, upon Landlord's written request, also designate and furnish certificates evidencing such Landlord Parties as additional insureds to (a) any Lender of Landlord holding a security interest in the Building or the Project, (b) the landlord under any lease whereunder Landlord is a tenant of the real property upon which the Building is located if the interest of Landlord is or shall become that of a tenant under a ground lease rather than that of a fee owner and (c) any management company retained by Landlord to manage the Project.

23.6 Tenant assumes the risk of damage to any fixtures, goods, inventory, merchandise, equipment and leasehold improvements, and Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease. Tenant shall, at Tenant's sole cost and expense, carry such insurance as Tenant desires for Tenant's protection with respect to personal property of Tenant or business interruption.

23.7 Landlord, Tenant and each of their respective insurers hereby waive any and all rights of recovery and/or subrogation against one another or against the officers, directors, employees, agents and representatives of the other as respects any loss, damage, claims, suits or demands, howsoever caused, that are covered, or should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder. If necessary, each party agrees to endorse the required insurance policies to permit waivers of subrogation as required hereunder and hold harmless and indemnify the other party for any loss or expense incurred as a result of a failure to obtain such waivers of subrogation from insurers. Landlord and Tenant, upon obtaining the policies of insurance required or permitted under this Lease, shall give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

23.8 Landlord may require insurance policy limits required under this Lease to be raised to conform with requirements of Landlord's Lender or to bring coverage limits to levels then being required of new tenants within the Project.

23.9 Any costs incurred by Landlord pursuant to this Article shall constitute a portion of Operating Expenses.

23.10 The obligations of each party pursuant to this Article shall survive the expiration or earlier termination of this Lease.

24. Damage or Destruction.

24.1 In the event of a partial destruction of (a) the Premises, (b) the Building, (c) the Common Area or (d) the Project ((a)-(d) collectively, the "Affected Areas") by fire or other perils covered by extended coverage insurance not exceeding twenty-five percent (25%) of the full insurable value thereof, and provided that (x) the damage thereto is such that the Affected Areas may be repaired, reconstructed or restored within a period of six (6) months from the date of the happening of such casualty, (y) Landlord shall receive insurance proceeds sufficient to cover the cost of such repairs, reconstruction and restoration (except for any deductible amount provided by Landlord's policy, which deductible amount, if paid by Landlord, shall constitute an Operating Expense) and (z) such casualty was not intentionally caused by a Tenant Party, then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration of the Affected Areas and this Lease shall continue in full force and effect.

24.2 In the event of any damage to or destruction of the Building or the Project other than as described in Section 24.1, Landlord may elect to repair, reconstruct and restore the Building or the Project, as applicable, in which case this Lease shall continue in full force and effect. If Landlord elects not to repair, reconstruct and restore the Building or the Project, as applicable, then this Lease shall terminate as of the date of such damage or destruction. In the event of any damage or destruction (regardless of whether such damage is governed by Section 24.1 or this Section), if (a) in Landlord's determination as set forth in the Damage Repair Estimate (as defined below), the Affected Areas cannot be repaired, reconstructed or restored within twelve (12) months after the date of such casualty, (b) subject to Section 24.6, the Affected Areas are not actually repaired, reconstructed and restored within eighteen (18) months after the date of such casualty, or (c) the damage and destruction occurs within the last twelve (12) months of the then-current Term, then Tenant shall have the right to terminate this Lease, effective as of the date of such damage or destruction, by delivering to Landlord its written notice of termination (a "Termination Notice") (y) with respect to Subsections 24.2(a) and (c), no later than fifteen (15) days after Landlord delivers to Tenant Landlord's Damage Repair Estimate and (z) with respect to Subsection 24.2(b), no later than fifteen (15) days after such twelve (12) month period (as the same may be extended pursuant to Section 24.6) expires. If Tenantprovides Landlord with a Termination Notice pursuant to Subsection 24.2(z), Landlord shall have an additional thirty (30) days after receipt of such Termination Notice to complete the repair, reconstruction and restoration. If Landlord does not complete such repair, reconstruction and restoration within such thirty (30) day period, then Tenant may terminate this Lease by giving Landlord written notice within two (2) business days after the expiration of such thirty (30) day period. If Landlord does complete such repair, reconstruction and restoration within such thirty (30) day period, then this Lease shall continue in full force and effect.

24.3 As soon as reasonably practicable, but in any event within sixty (60) days following the date of damage or destruction, Landlord shall notify Tenant of Landlord's good faith estimate of the period of time in which the repairs, reconstruction and restoration will be

completed (the "Damage Repair Estimate"), which estimate shall be based upon the opinion of a contractor reasonably selected by Landlord and experienced in comparable repair, reconstruction and restoration of similar buildings. Additionally, Landlord shall give written notice to Tenant within sixty (60) days following the date of damage or destruction of its election not to repair, reconstruct or restore the Building or the Project, as applicable.

24.4 Upon any termination of this Lease under any of the provisions of this Article, the parties shall be released thereby without further obligation to the other from the date possession of the Premises is surrendered to Landlord, except with regard to (a) obligations arising prior to the damage or destruction and (b) obligations that, by their express terms, survive the expiration or earlier termination hereof.

24.5 In the event of repair, reconstruction and restoration as provided in this Article, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the extent to which Tenant's use of the Premises is impaired from the date of the casualty until such repair, reconstruction or restoration is completed, unless Landlord provides Tenant with other space during the period of repair, reconstruction and restoration that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business; provided, however, that the amount of such abatement shall be reduced by the amount of Rent that is received by Tenant as part of the business interruption or loss of rental income with respect to the Premises from the proceeds of business interruption or loss of rental income insurance.

24.6 Notwithstanding anything to the contrary contained in this Article, should Landlord be delayed or prevented from completing the repair, reconstruction or restoration of the damage or destruction to the Premises after the occurrence of such damage or destruction by Force Majeure or delays caused by a Tenant Party, then the time for Landlord to commence or complete repairs, reconstruction and restoration shall be extended on a day-for-day basis; provided, however, that if such Force Majeure or delays caused by a Tenant Party will delay the completion of such repairs, reconstruction and restoration to a date that is more than six (6) months following the date of such casualty, at Landlord's election, Landlord shall be relieved of its obligation to make such repairs, reconstruction and restoration.

24.7 If Landlord is obligated to or elects to repair, reconstruct or restore as herein provided, then Landlord shall be obligated to make such repairs, reconstruction or restoration only with regard to (a) those portions of the Premises that were originally provided at Landlord's expense (which includes the Tenant Improvements), and (b) the Common Area portion of the Affected Areas. The repairs, reconstruction or restoration of improvements not originally provided by Landlord or at Landlord's expense shall be the obligation of Tenant. In the event Tenant has elected to upgrade certain improvements from the Building Standard, Landlord shall, upon the need for replacement due to an insured loss, provide only the Building Standard, unless Tenant again elects to upgrade such improvements and pay any incremental costs related thereto, except to the extent that excess insurance proceeds, if received, are adequate to provide such upgrades, in addition to providing for basic repairs, reconstruction and restoration of the Premises, the Building and the Project.

24.8 Notwithstanding anything to the contrary contained in this Article or this Lease, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises if the damage resulting from any casualty covered under this Article occurs during the last eighteen (18) months of the Term or any extensions thereof, or to the extent that insurance proceeds are not available therefor.

24.9 Landlord's obligation, should it elect or be obligated to repair, reconstruct or restore, shall be limited to the Affected Areas, and shall be conditioned upon Landlord receiving any permits or authorizations required by Applicable Laws. Tenant shall, at its expense, replace or fully repair all of Tenant's personal property and any Alterations (excepting the Tenant Improvements) installed by Tenant existing at the time of such damage or destruction. If Affected Areas are to be repaired, reconstructed or restored in accordance with the foregoing, Landlord shall make available to Tenant any portion of insurance proceeds it receives that are allocable to the Alterations constructed by Tenant pursuant to this Lease; provided Tenant is not then in Default under this Lease, and subject to the requirements of any Lender of Landlord.

24.10 This Article sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

25. Eminent Domain.

25.1 In the event (a) the whole of all Affected Areas or (b) such part thereof as shall substantially interfere with Tenant's use and occupancy of the Premises for the Permitted Use shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to such authority, except with regard to (y) obligations arising prior to the taking and (z) obligations that, by their express terms, survive the expiration or earlier termination hereof.

25.2 In the event of a partial taking of (a) the Building or the Project or (b) drives, walkways or parking areas serving the Building or the Project for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sold to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, Landlord may elect to terminate this Lease (except with regard to (y) obligations arising prior to the taking and (z) obligations of this Lease that, by their express terms, survive the expiration or earlier termination hereof) as of such taking if such taking is, in Landlord's sole opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for purposes of renting office or laboratory space.

25.3 Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's personal property that was installed at Tenant's expense and (b) the

costs of Tenant moving to a new location. Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord.

25.4 If, upon any taking of the nature described in this Article, this Lease continues in effect, then Landlord shall promptly proceed to restore the Affected Areas to substantially their same condition prior to such partial taking. To the extent such restoration is infeasible, as determined by Landlord in its sole and absolute discretion, the Rent shall be decreased proportionately to reflect the loss of any portion of the Premises no longer available to Tenant.

25.5 This Article sets forth the terms and conditions upon which this Lease may terminate in the event of any taking. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

26. Surrender.

26.1 At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises ("Exit Survey") prepared by an independent third party state-certified professional with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. The Exit Survey shall comply with the American National Standards Institute's Laboratory Decommissioning guidelines (ANSI/AIHA Z9.11-2008) or any successor standards published by ANSI or any successor organization (or, if ANSI and its successors no longer exist, a similar entity publishing similar standards). In addition, at least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall (a) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Applicable Laws, including laws pertaining to the surrender of the Premises, (b) place Laboratory Equipment Decontamination Forms on all decommissioned equipment to assure safe occupancy by future users and (c) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Exit Survey to the extent the remediation thereof is otherwise required by the terms of this Lease and to comply with any recommendations set forth in the Exit Survey relating to the same. Tenant's obligations pursuant to this Section shall survive the expiration or earlier termination of this Lease.

26.2 No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

26.3 The voluntary or other surrender of this Lease by Tenant shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Building, the Property or the Project, unless Landlord consents in writing, and shall, at Landlord's option, operate as an assignment to Landlord of any or all subleases.

26.4 The voluntary or other surrender of any ground or other underlying lease that now exists or may hereafter be executed affecting the Building or the Project, or a mutual cancellation

thereof or of Landlord's interest therein by Landlord and its lessor shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Building or the Property and shall, at the option of the successor to Landlord's interest in the Building or the Project, as applicable, operate as an assignment of this Lease.

27. Holding Over.

27.1 If, with Landlord's prior written consent, Tenant holds possession of all or any part of the Premises after the Term, Tenant shall become a tenant from month to month after the expiration or earlier termination of the Term, and in such case Tenant shall continue to pay (a) Base Rent in accordance with Article 7 and (b) any amounts for which Tenant would otherwise be liable under this Lease if the Lease were still in effect, including payments for Tenant's Adjusted Share of Operating Expenses and electricity and other utility costs. Any such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

27.2 Notwithstanding the foregoing, if Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without Landlord's prior written consent, (a) Tenant shall become a tenant at sufferance subject to the terms and conditions of this Lease, except that the monthly rent shall be equal to one hundred fifty percent (150%) of the Rent in effect during the last thirty (30) days of the Term, and (b) Tenant shall be liable to Landlord for any and all damages suffered by Landlord as a result of such holdover, including any lost rent or consequential, special and indirect damages (in each case, regardless of whether such damages are foreseeable).

27.3 Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease.

27.4 The foregoing provisions of this Article are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws.

27.5 Tenant's obligations pursuant to this Article shall survive the expiration or earlier termination of this Lease.

28. Indemnification and Exculpation.

28.1 Except to the extent caused by the negligence or willful misconduct of Landlord or any agent or employee of Landlord, Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, real or alleged, arising from injury to or death of any person or damage to any property occurring within or about the Premises, the Building, the Property or the Project, to the extent arising directly or indirectly out of (a) the presence at or use or occupancy of the Premises or Project by a Tenant Party, (b) an act or omission on the part of any Tenant Party, (c) a breach or default by Tenant in the performance of any of its obligations hereunder or (d) injury to or death of persons or damage to or loss of any

property, real or alleged, arising from the serving of alcoholic beverages at the Premises or Project, including liability under any dram shop law, host liquor law or similar Applicable Law. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

28.2 Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for and Tenant assumes all risk of (a) damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines) or damage to personal property, unless any such loss is due to Landlord's gross negligence, intentional misconduct or willful disregard of written notice by Tenant of need for a repair that Landlord is responsible to make for an unreasonable period of time, and (b) damage to scientific research, including loss of records kept by Tenant within the Premises (in each case, regardless of whether such damages are foreseeable). Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section. Notwithstanding anything in the foregoing or this Lease to the contrary, except (x) as otherwise provided herein (including Section 27.2), (y) as may be provided by Applicable Laws, or (z) in the event of Tenant's breach of Article 21 or Section 26.1, in no event shall Landlord or Tenant be liable to the other for any consequential, special or indirect damages arising out of this Lease, including lost profits (provided that this Subsection 28.2(z) shall not limit Tenant's liability for Base Rent or Additional Rent pursuant to this Lease).

28.3 Landlord shall not be liable for any damages arising from any act, omission or neglect of any other tenant in the Building or the Project, or of any other third party, unless otherwise expressly stated in this Lease.

28.4 Tenant acknowledges that security devices and services, if any, while intended to deter crime, may not in given instances prevent theft or other criminal acts. Landlord shall not be liable for injuries or losses caused by criminal acts of third parties, and Tenant assumes the risk that any security device or service may malfunction or otherwise be circumvented by a criminal. If Tenant desires protection against such criminal acts, then Tenant shall, at Tenant's sole cost and expense, obtain appropriate insurance coverage. Tenant's security programs and equipment for the Premises shall be coordinated with Landlord and subject to Landlord's reasonable approval.

28.5 Tenant's obligations under this Article shall survive the expiration or earlier termination of this Lease.

28.6 The indemnity from Tenant in this Article is intended to specifically cover actions brought by Tenant's own employees, with respect to acts or omissions during the term of this Lease. In that regard, with respect to Landlord, Tenant waives any immunity it may have under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Landlord

with a full and complete indemnity from claims made by Tenant and its employees, to the extent of their negligence. If losses, liabilities, damages, liens, costs and expenses covered by Tenant's indemnity are caused by the sole negligence of Landlord or by the concurrent negligence of both Landlord and Tenant, or their respective employees, agents, contractors, invitees and licensees, then Tenant shall indemnify Landlord only to the extent of any Tenant Parties' negligence. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS ARTICLE WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

29. Assignment or Subletting.

29.1 Except as hereinafter expressly permitted, none of the following (each, a "Transfer") either voluntarily or by operation of Applicable Laws, shall be directly or indirectly performed without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed: (a) Tenant selling, hypothecating, assigning, pledging, encumbering or otherwise transferring this Lease or subletting the Premises or (b) a controlling interest in Tenant being sold, assigned or otherwise transferred (other than as a result of shares in Tenant being sold on a public stock exchange). For purposes of the preceding sentence, "control" means (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person or (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person. Notwithstanding the foregoing, Tenant shall have the right to Transfer, without Landlord's prior written consent, Tenant's interest in this Lease or the Premises or any part thereof to any person or entity that acquires all or substantially all of Tenant's assets or all or substantially all of the equity interests in Tenant or that as of the date of determination and at all times thereafter directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Tenant, or is the surviving entity in a merger with Tenant or an entity that acquires all or substantially all of the assets of Tenant ("Tenant's Affiliate"); provided that Tenant shall notify Landlord in writing at least thirty (30) days prior to the effectiveness of such Transfer to Tenant's Affiliate (an "Exempt Transfer") and otherwise comply with the requirements of this Lease regarding such Transfer; and provided, further, that the person that will be the tenant under this Lease after the Exempt Transfer has a net worth (as of both the day immediately prior to and the day immediately after the Exempt Transfer) that is equal to or greater than the net worth (as of both the Execution Date and the date of the Exempt Transfer) of the transferring Tenant. For purposes of the immediately preceding sentence (i) the determination of net worth (defined as total assets minus total liabilities) shall be pursuant to a balance sheet prepared in accordance with GAAP, and (ii) "control" requires both (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person and (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person. Notwithstanding the foregoing, if Tenant is precluded by Applicable Law or by contract from giving Landlord prior written notice of an Exempt Transfer, Tenant will provide Landlord with written notice of the Exempt Transfer as soon as Tenant may do so without violating Applicable Law or the terms of the applicable contract. Notwithstanding anything in this Lease to the contrary, if (a) Tenant or any proposed transferee, assignee or sublessee of Tenant has been

required by any prior landlord, Lender or Governmental Authority to take material remedial action in connection with Hazardous Materials contaminating a property if the contamination resulted from such party's action or negligent omission or use of the property in question or (b) Tenant or any proposed transferee, assignee or sublessee is subject to a material enforcement order issued by any Governmental Authority in connection with the use, disposal or storage of Hazardous Materials, then it shall not be unreasonable for Landlord to withhold its consent to any proposed transfer, assignment or subletting (with respect to any such matter involving a proposed transferee, assignee or sublessee).

29.2 In the event Tenant desires to effect a Transfer, then, at least thirty (30) but not more than ninety (90) days prior to the date when Tenant desires the Transfer to be effective (the "Transfer Date"), Tenant shall provide written notice to Landlord (the "Transfer Notice") containing information (including references) concerning the character of the proposed transferee, assignee or sublessee; the Transfer Date; the most recent financial statements of Tenant and of the proposed transferee, assignee or sublessee satisfying the requirements of Section 40.2 ("Required Financials"); any ownership or commercial relationship between Tenant and the proposed transferee, assignee or sublessee; copies of Hazardous Materials Documents for the proposed transferee, assignee or sublessee; and the consideration and all other material terms and conditions of the proposed Transfer, all in such detail as Landlord shall reasonably require. Within fifteen (15) business days of receipt of Tenant's Transfer Notice, Landlord shall notify Tenant in writing that Landlord either consents to the Transfer, does not consent to the Transfer or needs additional information. Upon receipt of the additional information requested by Landlord, Landlord shall have fifteen (15) business days to determine whether or not it consents to the Transfer.

29.3 Landlord, in determining whether consent should be given to a proposed Transfer, may give consideration to (a) the financial strength of Tenant and of such transferee, assignee or sublessee (notwithstanding Tenant remaining liable for Tenant's performance), (b) any change in use that such transferee, assignee or sublessee proposes to make in the use of the Premises and (c) Landlord's desire to exercise its rights under Section 29.7 to cancel this Lease. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer to a transferee, assignee or sublessee of poor reputation, lacking financial qualifications or seeking a change in the Permitted Use, or jeopardizing directly or indirectly the status of Landlord or any of Landlord's affiliates as a Real Estate Investment Trust under the Internal Revenue Code of 1986 (as the same may be amended from time to time, the "Revenue Code"). Notwithstanding anything contained in this Lease to the contrary, (w) no Transfer shall be consummated on any basis such that the rental or other amounts to be paid by the occupant, assignee, manager or other transferee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of such occupant, assignee, manager or other transferee; (x) Tenant shall not furnish or render any services to an occupant, assignee, manager or other transferee with respect to whom transfer consideration is required to be paid, or manage or operate the Premises or any capital additions so transferred, with respect to which transfer consideration is being paid; and (y) Tenant shall not consummate a Transfer with any person or in any manner that could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease, license or

other arrangement for the right to use, occupy or possess any portion of the Premises to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Revenue Code, or any similar or successor provision thereto or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Revenue Code.

29.4 The following are conditions precedent to a Transfer or to Landlord considering a request by Tenant to a Transfer:

(a) Tenant shall remain fully liable under this Lease during the unexpired Term. Tenant agrees that it shall not be (and shall not be deemed to be) a guarantor or surety of this Lease, however, and waives its right to claim that is it is a guarantor or surety or to raise in any legal proceeding any guarantor or surety defenses permitted by this Lease or by Applicable Laws;

(b) If Tenant or the proposed transferee, assignee or sublessee does not or cannot deliver the Required Financials, then Landlord may elect to have either Tenant's ultimate parent company or the proposed transferee's, assignee's or sublessee's ultimate parent company provide a guaranty of the applicable entity's obligations under this Lease, in a commercially reasonable form acceptable to Landlord, which guaranty shall be executed and delivered to Landlord by the applicable guarantor prior to the Transfer Date;

(c) In the case of an Exempt Transfer, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the Transfer qualifies as an Exempt Transfer;

(d) Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the value of Landlord's interest under this Lease shall not be diminished or reduced by the proposed Transfer. Such evidence shall include evidence respecting the relevant business experience and financial responsibility and status of the proposed transferee, assignee or sublessee;

(e) Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses, including reasonable attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request, up to a maximum reimbursement of $3,000.00;

(f) Except with respect to an Exempt Transfer, if Tenant's transfer of rights or sharing of the Premises provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises and excluding any consideration paid for Tenant's assets) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after making deductions for any reasonable marketing expenses, tenant improvement funds expended by Tenant, alterations, cash concessions, brokerage commissions, attorneys' fees and free rent actually paid by Tenant. If such consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

(g) The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

(h) Landlord's consent to any such Transfer shall be effected on Landlord's forms;

(i) Tenant shall not then be in Default of any of its monetary obligations or any of its material non-monetary obligations under this Lease;

(j) Such proposed transferee, assignee or sublessee's use of the Premises shall be the same as the Permitted Use;

(k) Landlord shall not be bound by any provision of any agreement pertaining to the Transfer, except for Landlord's written consent to the same;

(l) Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable for any Transfer;

(m) Landlord's consent (or waiver of its rights) for any Transfer shall not waive Landlord's right to consent or refuse consent to any later Transfer;

(n) Tenant shall deliver to Landlord one executed copy of any and all written instruments evidencing or relating to the Transfer;

(o) Tenant shall deliver to Landlord a list of Hazardous Materials (as defined below), certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises. Additionally, Tenant shall deliver to Landlord, on or before the date any proposed transferee, assignee or sublessee takes occupancy of the Premises, all of the items relating to Hazardous Materials of such proposed transferee, assignee or sublessee as described in Section 21.2 and

(p) Tenant shall have paid to Landlord all outstanding Rent that is due and payable to Landlord prior to any Transfer becoming effective.

29.5 Any Transfer that is not in compliance with the provisions of this Article or with respect to which Tenant does not fulfill its obligations pursuant to this Article shall be void and shall, at the option of Landlord, terminate this Lease.

29.6 Notwithstanding any Transfer, Tenant shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer.

29.7 If Tenant delivers to Landlord a Transfer Notice indicating a desire to transfer this Lease to a proposed transferee, assignee or sublessee other than pursuant to an Exempt Transfer, then Landlord shall have the option, exercisable by giving notice to Tenant at any time within ten (10) days after Landlord's receipt of such Transfer Notice, to terminate this Lease as of the date specified in the Transfer Notice as the Transfer Date, except for those obligations that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to terminate this Lease. In the event Tenant withdraws the Transfer Notice as provided in this Section, this Lease shall continue in full force and effect. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

29.8 If Tenant sublets the Premises or any portion thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default (as defined below) by Tenant, Tenant shall have the right to collect such rent.

29.9 In the event that Tenant enters into a sublease for the entire Premises in accordance with this Article that expires within two (2) days of the Term Expiration Date, the term expiration date of such sublease shall, notwithstanding anything in this Lease, the sublease or any consent to the sublease to the contrary, be deemed to be the date that is two (2) days prior to the Term Expiration Date.

29.10 Landlord shall execute a commercially reasonable nondisclosure agreement acceptable to Landlord if so requested by Tenant or any proposed transferee, assignee or sublessee prior to receiving documents pursuant to this Section.

30. Subordination and Attornment.

30.1 This Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or lease in which Landlord is tenant now or hereafter in force against the Building or the Project and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination; provided with respect to any future mortgage, deed of trust, or lease in which Landlord is tenant, such subordination shall be subject to Tenant's receipt of a

commercially reasonable nondisturbance agreement. Landlord warrants to Tenant that there is not currently any financing encumbering the Project or Building. Not more than thirty (30) days after the Execution Date, Landlord will obtain from the Ground Lessor under the Ground Lease a Ground Lessor Recognition and Non-Disturbance Agreement in the form attached to this Lease as Exhibit H, or such other form as is reasonably acceptable to Tenant and the Ground Lessor. Landlord shall be responsible for the cost of recording such Ground Lessor Recognition and Non-Disturbance Agreement, including any transfer or other taxes incurred in connection with such recordation. If Landlord has not obtained a Ground Lessor Recognition and Non-Disturbance Agreement from the Ground Lessor within sixty (60) days after the Execution Date, and Landlord does not obtain a Ground Lessor Recognition and Non-Disturbance Agreement within ten (10) business days after receiving a written notice from Tenant (the "NDA Notice") that Tenant intends to terminate this Lease because Landlord fails to obtain a Ground Lessor Recognition and Non-Disturbance Agreement from the Ground Lessor, then Tenant may elect to terminate this Lease by giving written notice to Landlord at any time after the end of such ten (10) business day period, and prior to Landlord obtaining a Ground Lessor Recognition and Non-Disturbance Agreement from the Ground Lessor. The NDA Notice must include the following statement in capital letters and bold face print:

IF LANDLORD FAILS TO OBTAIN A GROUND LESSOR RECOGNITION AND NON-DISTURBANCE AGREEMENT FROM THE GROUND LESSOR WITHIN TEN (10) BUSINESS DAYS FOLLOWING LANDLORD'S RECEIPT OF THIS NOTICE, TENANT MAY ELECT TO TERMINATE THE LEASE.

30.2 Notwithstanding the foregoing, Tenant shall execute and deliver upon demand such further commercially reasonable instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may be required by Landlord, provided that such instrument includes a commercially reasonable nondisturbance agreement. If any such mortgagee, beneficiary or landlord under a lease wherein Landlord is tenant (each, a "Mortgagee") so elects, however, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request. If Tenant fails to execute any document required from Tenant under this Section within ten (10) business days after written request therefor, Tenant shall be in Default hereunder. For the avoidance of doubt, "Mortgagees" shall also include historic tax credit investors and new market tax credit investors.

30.3 Upon written request of Landlord and opportunity for Tenant to review, Tenant agrees to execute any Lease amendments not materially altering the terms of this Lease or materially adversely affecting Tenant's quiet enjoyment of the Premises, if required by a Mortgagee incident to the financing of the real property of which the Premises constitute a part.

30.4 In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall at the election of the purchaser at such foreclosure or sale attorn to the

purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.

31. Defaults and Remedies.

31.1 Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within three (3) days after Landlord gives Tenant written notice that the payment is past due, Tenant shall pay to Landlord (a) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (b) interest at an annual rate (the "Default Rate") equal to the lesser of (a) ten percent (10%) and (b) the highest rate permitted by Applicable Laws. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant and shall be payable as Additional Rent to Landlord due with the next installment of Rent or within five (5) business days after Landlord's demand, whichever is earlier. Landlord's acceptance of any Additional Rent (including a late charge or any other amount hereunder) shall not be deemed an extension of the date that Rent is due or prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity.

31.2 No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law. If a dispute shall arise as to any amount or sum of money to be paid by Tenant to Landlord hereunder, Tenant shall have the right to make payment "under protest," such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of Tenant to institute suit for recovery of the payment paid under protest.

31.3 If Tenant fails to pay any sum of money required to be paid by it hereunder or perform any other act on its part to be performed hereunder, in each case within the applicable cure period (if any) described in Section 31.4, then Landlord may (but shall not be obligated to), without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such act; provided that such failure by Tenant unreasonably interfered with the use of the Building or the Project by any other tenant or with the efficient operation of the Building or the Project, or resulted or could have resulted in a violation of Applicable Laws or the cancellation of an insurance policy maintained by Landlord. Notwithstanding the foregoing, in the event of an emergency, Landlord shall have the right to enter the Premises and act in accordance with its rights as provided elsewhere in this Lease. In addition to the late charge described in Section 31.1, Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord,

together with interest at the Default Rate, computed from the date such sums were paid or incurred.

31.4 The occurrence of any one or more of the following events shall constitute a "Default" hereunder by Tenant:

(a) Tenant abandons the Premises or Landlord receives notice that Tenant intends to permanently cease business operations and permanently vacate the Premises prior to the end of the Term;

(b) Tenant fails to make any payment of Rent, as and when due, or to satisfy its obligations under Article 19, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant;

(c) Tenant fails to observe or perform any obligation or covenant contained herein (other than described in Sections 31.4(a) and 31.4(b)) to be performed by Tenant, where such failure continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided that, if the nature of Tenant's default is such that it reasonably requires more than thirty (30) days to cure, Tenant shall not be deemed to be in Default if Tenant commences such cure within such thirty (30) day period and thereafter diligently prosecutes the same to completion; and provided, further, that such cure is completed no later than ninety (90) days after Tenant's receipt of written notice from Landlord;

(d) Tenant makes an assignment for the benefit of creditors;

(e) A receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's assets;

(f) Tenant files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the "Bankruptcy Code") or an order for relief is entered against Tenant pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code;

(g) Any involuntary petition is filed against Tenant under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

(h) Tenant fails to deliver an estoppel certificate in accordance with Article 20, and such failure is not cured within two (2) business days following Tenant's receipt of written notice of such default; or

(i) Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action.

Notices given under this Section shall specify the alleged default and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within

the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice. The foregoing notice and cure provisions shall be inclusive of and not in addition to the notices and cure periods provided for in RCW 59.12, as now or hereafter amended, or any legislation in lieu or substitution thereof.

31.5 In the event of a Default by Tenant, and at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have, Landlord has the right to do any or all of the following:

(a) Halt any Tenant Improvements and Alterations and order Tenant's contractors, subcontractors, consultants, designers and material suppliers to stop work;

(b) Terminate Tenant's right to possession of the Premises by written notice to Tenant or by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby; and

(c) Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including:

(i) The sum of:

A. The worth at the time of award of any unpaid Rent that had accrued at the time of such termination; plus

B. The worth at the time of award of the amount by which the unpaid Rent that would have accrued during the period commencing with termination of the Lease and ending at the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus

C. The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus

D. Any other amount necessary to compensate Landlord for all the detriment caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including the cost of restoring the Premises to the condition required under the terms of this Lease, including any rent payments not otherwise chargeable to Tenant (e.g., during any "free" rent period or rent holiday); plus

E. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws; or

(ii) At Landlord's election, as minimum liquidated damages inaddition to any (A) amounts paid or payable to Landlord pursuant to Section 31.5(c)(i)(A) prior to such election and (B) costs of restoring the Premises to the condition required under the terms of this Lease, an amount (the "Election Amount") equal to either (Y) the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present cash rental value of the Premises as determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point (the "Discount Rate") or (Z) twelve (12) months (or such lesser number of months as may then be remaining in the Term) of Base Rent and Additional Rent at the rate last payable by Tenant pursuant to this Lease, in either case as Landlord specifies in such election. Landlord and Tenant agree that the Election Amount represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors; and that the Election Amount is not a penalty.

As used in Sections 31.5(c)(i)(A) and (B), "worth at the time of award" shall be computed by allowing interest at the Default Rate. As used in Section 31.5(c)(i)(C), the "worth at the time of the award" shall be computed by taking the present value of such amount, using the DiscountRate.

31.6 In addition to any other remedies available to Landlord at law or in equity and under this Lease, Landlord may continue this Lease in effect after Tenant's Default or abandonment and recover Rent as it becomes due. In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises so long as Landlord is in compliance with any obligation Landlord has under Applicable Law to mitigate its damages. For purposes of this Section, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Premises:

(a) Acts of maintenance or preservation or efforts to relet the Premises, including alterations, remodeling, redecorating, repairs, replacements or painting as Landlord shall consider advisable for the purpose of reletting the Premises or any part thereof; or

(b) The appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Premises.

Notwithstanding the foregoing, in the event of a Default by Tenant, Landlord may elect at any time to terminate this Lease and to recover damages to which Landlord is entitled.

31.7 If Landlord does not elect to terminate this Lease as provided in Section 31.5 then Landlord may, from time to time, recover all Rent as it becomes due under this Lease. At any time thereafter, Landlord may elect to terminate this Lease and to recover damages to which Landlord is entitled.

31.8 In the event Landlord elects to terminate this Lease and relet the Premises, Landlord may execute any new lease in its own name. Tenant hereunder shall have no right or authority whatsoever to collect any Rent from such tenant. The proceeds of any such reletting shall be applied as follows:

(a) First, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord, including storage charges or brokerage commissions owing from Tenant to Landlord as the result of such reletting;

(b) Second, to the payment of the costs and expenses of reletting the Premises, including (i) alterations and repairs that Landlord deems reasonably necessary and advisable and (ii) reasonable attorneys' fees, charges and disbursements incurred by Landlord in connection with the retaking of the Premises and such reletting;

(c) Third, to the payment of Rent and other charges due and unpaid hereunder; and

(d) Fourth, to the payment of future Rent and other damages payable by Tenant under this Lease.

31.9 All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Landlord shall have the right to pursue any one or all of such remedies, or any other remedy or relief that may be provided by Applicable Laws, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any Rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in such waiver. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to mitigate its damages with respect to any default by Tenant, except as required by Applicable Laws. Anysuch obligation imposed by Applicable Laws upon Landlord to relet the Premises after any termination of this Lease shall be subject to the reasonable requirements of Landlord to (a) lease to high quality tenants on such terms as Landlord may from time to time deem appropriate in its discretion and (b) develop the Project in a harmonious manner with a mix of uses, tenants, floor areas, terms of tenancies, etc., as determined by Landlord. Landlord shall not be obligated to

relet the Premises to any party to whom Landlord or an affiliate of Landlord may desire to lease other available space in the Project or at another property owned by Landlord or an affiliate of Landlord.

31.10 Landlord's termination of (a) this Lease or (b) Tenant's right to possession of the Premises shall not relieve Tenant of any liability to Landlord that has previously accrued or that shall arise based upon events that occurred prior to the later to occur of (y) the date of Lease termination and (z) the date Tenant surrenders possession of the Premises.

31.11 [Intentionally Omitted.]

31.12 Landlord shall not be in default or liable for damages under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event shall such failure continue for more than thirty (30) days after written notice from Tenant specifying the nature of Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Except as otherwise expressly set forth in this Lease, in no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set off any Claims against Rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease.

31.13 In the event of any default by Landlord, Tenant shall give notice by registered or certified mail or overnight delivery with a reputable international overnight delivery service, such as FedEx, to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises, the Building or the Project and to any landlord of any lease of land upon or within which the Premises, the Building or the Project is located, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Building or the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request by Tenant, the names and addresses of all such persons who are to receive such notices.

32. Bankruptcy . In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion:

32.1 Those acts specified in the Bankruptcy Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a shopping center or other facility described in such Applicable Laws;

32.2 A prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease;

32.3 A cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or

32.4 The assumption or assignment of all of Tenant's interest and obligations under this Lease.

33. Brokers.

33.1 Each party represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease other than Cushman & Wakefield ("Broker"), and that it knows of no other real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Landlord shall compensate Broker in relation to this Lease pursuant to a separate agreement between Landlord and Broker.

33.2 Tenant represents and warrants that no broker or agent has made any representation or warranty relied upon by Tenant in Tenant's decision to enter into this Lease, other than as contained in this Lease.

33.3 Tenant acknowledges and agrees that the employment of brokers by Landlord is for the purpose of solicitation of offers of leases from prospective tenants and that no authority is granted to any broker to furnish any representation (written or oral) or warranty from Landlord unless expressly contained within this Lease. Landlord is executing this Lease in reliance upon Tenant's representations, warranties and agreements contained within Sections 33.1 and 33.2.

33.4 Each party agrees to indemnify, save, defend (at the other party's option and with counsel reasonably acceptable to the other party) and hold the other party harmless from any and all cost or liability for compensation claimed by any broker or agent, other than Brokers, that was employed or engaged by the party, or claiming to have been employed or engaged as a result of the party's own acts. The indemnifications in this Section shall survive the expiration or earlier termination of this Lease.

34. Definition of Landlord. With regard to obligations imposed upon Landlord pursuant to this Lease, the term "Landlord " as used in this Lease, shall refer only to Landlord or Landlord's then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, Landlord herein named (and in case of any subsequent transfers or conveyances,the subsequent Landlord) shall be automatically freed and relieved, from and after the date ofsuch transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease to be performed by Landlord first arising after the date of the transfer, and, without further agreement, the transferee, assignee or conveyee of Landlord's in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, shall be

deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease or the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant's consent.

35. Limitation of Landlord's Liability.

35.1 If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Building and the Project, (b) rent or other income from such real property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Building or the Project.

35.2 Neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease, and service of process shall not be made against any shareholder, director, officer, employee or agent of Landlord or any of Landlord's affiliates. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action, and service of process shall not be made against any partner or member of Landlord except as may be necessary to secure jurisdiction of the partnership, joint venture or limited liability company, as applicable. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates. For the purpose of clarity, the foregoing paragraph is not intended to preclude any tort claim against any individual arising from the actions of such individual unrelated to this Lease in his or her personal capacity and not in his or her capacity as a partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates.

35.3 Each of the covenants and agreements of this Article shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

36. Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, then:

36.1 Each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Agreement as Tenant; and

36.2 The term "Tenant," as used in this Lease, shall mean and include each of them, jointly and severally. The act of, notice from, notice to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

37. Representations. Tenant guarantees, warrants and represents that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state in which the Property is located, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all Tenant's obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which Tenant is constituted or to which Tenant is a party. In addition, Tenant guarantees, warrants and represents that none of (x) it, (y) its affiliates or partners nor (z) to the best of its knowledge, its members, shareholders or other equity owners or any of their respective employees, officers, directors, representatives or agents is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

38. Confidentiality. Tenant shall keep the terms and conditions of this Lease and any information provided to Tenant or its employees, agents or contractors pursuant to Article 9 confidential and shall not (a) disclose to any third party any terms or conditions of this Lease or any other Lease-related document (including subleases, assignments, work letters, construction contracts, letters of credit, subordination agreements, non-disturbance agreements, brokerage agreements or estoppels) or (b) provide to any third party an original or copy of this Lease (or any Lease-related document). Landlord shall not release to any third party any non-public financial information or non-public information about Tenant's ownership structure. In addition, all proprietary information of Tenant, including any information learned by or disclosed to Landlord with respect to Tenant's business or research, or information disclosed or discovered during an entry by Landlord into the Premises, shall be kept strictly confidential by Landlord, Landlord's legal representatives, successors, assigns, employees, servants and agents and shall not be used (except for Landlord's confidential internal purposes) or disclosed to others by Landlord (other than Landlord's and Landlord's affiliates' respective employees, investors or prospective investors, accountants, attorneys, lenders or prospective lenders, consultants, advisors, purchasers or prospective purchasers), or Landlord's servants, agents, employees, legal representatives, successors or assigns, without the express prior written consent of Tenant, which Tenant may

withhold in its sole and absolute discretion. Notwithstanding the foregoing, confidential information under this Section may be released by Landlord or Tenant under the following circumstances: (x) if required by Applicable Laws (including securities laws and regulations) or in any judicial proceeding; provided that the releasing party has given the other party reasonable notice of such requirement, if feasible, (y) to a party's attorneys, accountants, brokers, lenders, potential lenders, investors, potential investors and other bona fide consultants or advisers (with respect to this Lease only); provided such third parties agree to be bound by this Section or (z) to bona fide prospective assignees or subtenants of this Lease; provided they agree in writing to be bound by this Section.

39. Notices . Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Subsection 39(a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with Subsection 39(a); (y) one (1) business day after deposit with a reputable international overnight delivery service, if given if given in accordance with Subsection 39(b); or (z) upon transmission, if given in accordance with Subsection 39(c). Except as otherwise stated in this Lease, anynotice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant at the Premises, or to Landlord orTenant at the addresses shown in Sections 2.9 and 2.10 or 2.11, respectively. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

40. Miscellaneous.

40.1 Landlord reserves the right to change the name of the Building or the Project in its sole discretion.

40.2 Tenant agrees that it shall furnish to Landlord, from time to time (but not more often than once per calendar year), within ten (10) business days after receipt of Landlord's written request, the most recent year-end unconsolidated financial statements reflecting Tenant's current financial condition audited by a nationally recognized accounting firm. Tenant shall, within ninety (90) days after the end of Tenant's financial year, furnish Landlord with a certified copy of Tenant's year-end unconsolidated financial statements for the previous year audited by a nationally recognized accounting firm. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all material respects. If audited financials are not otherwise prepared, unaudited financials complying with generally accepted accounting principles and certified by the chief financial officer of Tenant as true, correct and complete in all respects shall suffice for purposes of this Section. The provisions of this Section shall not apply at any time while Tenant is a corporation whose shares are traded on any nationally recognized stock exchange.

40.3 Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease or otherwise until execution by and delivery to both Landlord and Tenant.

40.4 The terms of this Lease are intended by the parties as a final, complete and exclusive expression of their agreement with respect to the terms that are included herein, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement.

40.5 Landlord shall record a memorandum of this Lease in the form of Exhibit I; provided Tenant executes and delivers to Landlord at the time such memorandum is executed a termination of such memorandum in the form of Exhibit J attached which Landlord may record upon the expiration of the Term or the earlier termination of this Lease. Landlord shall be responsible for the cost of recording the memorandum of this Lease or any termination of the memorandum. Neither party shall record this Lease. Upon the expiration or earlier termination of this Lease, Tenant shall provide Landlord with such additional documents as Landlord may reasonably request confirming that this Lease is terminated so Landlord can remove the memorandum of this Lease from record title to the Property.

40.6 Where applicable in this Lease, the singular includes the plural and the masculine or neuter includes the masculine, feminine and neuter. The words "include," "includes," "included" and "including" mean "'include,' etc., without limitation." The word "shall" is mandatory and the word "may" is permissive. The section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease. Landlord and Tenant have each participated in the drafting and negotiation of this Lease, and the language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

40.7 Except as otherwise expressly set forth in this Lease, each party shall pay its own costs and expenses incurred in connection with this Lease and such party's performance under this Lease; provided that, if either party commences an action, proceeding, demand, claim, action, cause of action or suit against the other party arising out of or in connection with this Lease, then the substantially prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

40.8 Time is of the essence with respect to the performance of every provision of this Lease.

40.9 The covenants and conditions of the parties in this Lease are intended to be independent of each other covenant and condition of this Lease.

40.10 Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations under this Lease are independent and shall not be conditioned upon performance by Landlord.

40.11 Whenever consent or approval of either party is required, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary.

40.12 Any provision of this Lease that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

40.13 Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors and assigns. This Lease is for the sole benefit of the parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Lease shall give or be construed to give any other person or entity any legal or equitable rights. Nothing in this Section shall in any way alter the provisions of this Lease restricting assignment or subletting.

40.14 This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are located, without regard to such state's conflict of law principles.

40.15 Each party guarantees, warrants and represents to the other that the individual or individuals signing this Lease have the power, authority and legal capacity to sign this Lease on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed. Each party further guarantees, warrants and represents to the other that no third-party consent or approval is required in connection with this Lease, or if such consent or approval is required, it has been obtained.

40.16 This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

40.17 No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant.

40.18 No waiver of any term, covenant or condition of this Lease shall be binding unless executed in writing by the waiving party. The waiver by a party of any breach or default of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Lease.

40.19 To the extent permitted by Applicable Laws, the parties waive trial by jury in any action, proceeding or counterclaim brought by the other party hereto related to matters arising out of or in any way connected with this Lease; the relationship between Landlord and Tenant; Tenant's use or occupancy of the Premises; or any claim of injury or damage related to this Lease or the Premises.

41. Rooftop Installation Area.

41.1 Tenant may use those portions of the Building identified by Landlord in its sole discretion as a rooftop installation area as of the Execution Date (the "Rooftop Installation Area") solely to operate, maintain, repair and replace rooftop antennae, mechanical equipment, communications antennas and other equipment installed by Tenant in the Rooftop Installation Area in accordance with this Article ("Tenant's Rooftop Equipment"). Tenant's Rooftop Equipment shall be only for Tenant's use of the Premises for the Permitted Use.

41.2 Tenant shall install Tenant's Rooftop Equipment at its sole cost and expense, at such times and in such manner as Landlord may reasonably designate, and in accordance with this Article and the applicable provisions of this Lease regarding Alterations. Tenant's Rooftop Equipment and the installation thereof shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld. Among other reasons, Landlord may withhold approval if the installation or operation of Tenant's Rooftop Equipment could reasonably be expected to damage the structural integrity of the Building or to transmit vibrations or noise or cause other adverse effects beyond the Premises to an extent not customary in first class laboratory buildings, unless Tenant implements measures that are acceptable to Landlord in its reasonable discretion to avoid any such damage or transmission.

41.3 Tenant shall comply with any roof or roof-related warranties. Tenant shall obtain a letter from Landlord's roofing contractor within thirty (30) days after completion of any Tenant work on the rooftop stating that such work did not affect any such warranties. Tenant, at its sole cost and expense, shall inspect the Rooftop Installation Area at least annually, and correct any loose bolts, fittings or other appurtenances and repair any damage to the roof caused by the installation or operation of Tenant's Rooftop Equipment. Tenant shall not permit the installation, maintenance or operation of Tenant's Rooftop Equipment to violate any Applicable Laws or constitute a nuisance. Tenant shall pay Landlord within thirty (30) days after demand (a) all applicable taxes, charges, fees or impositions imposed on Landlord by Governmental Authorities as the result of Tenant's use of the Rooftop Installation Areas in excess of those for which Landlord would otherwise be responsible for the use or installation of Tenant's Rooftop Equipment and (b) the amount of any increase in Landlord's insurance premiums as a result of the installation of Tenant's Rooftop Equipment. Upon Tenant's written request to Landlord, Landlord shall use commercially reasonable efforts to cause other tenants to remedy any interference in the operation of Tenant's Rooftop Equipment caused by any such tenants' equipment installed after the applicable piece of Tenant's Rooftop Equipment; provided, however, that Landlord shall not be required to request that such tenants waive their rights under their respective leases.

41.4 If Tenant's Equipment (a) causes physical damage to the structural integrity of the Building, (b) interferes with any telecommunications, mechanical or other systems located at or near or servicing the Building or the Project that were installed prior to the installation of Tenant's Rooftop Equipment, (c) interferes with any other service provided to other tenants in the Building or the Project by rooftop or penthouse installations that were installed prior to the installation of Tenant's Rooftop Equipment or (d) interferes with any other tenants' business, in each case in excess of that permissible under Federal Communications Commission regulations, then Tenant shall cooperate with Landlord to determine the source of the damage or interference and promptly repair such damage and eliminate such interference, in each case at Tenant's sole cost and expense, within ten (10) days after receipt of notice of such damage or interference (which notice may be oral; provided that Landlord also delivers to Tenant written notice of such damage or interference within twenty-four (24) hours after providing oral notice).

41.5 Landlord reserves the right to cause Tenant to relocate Tenant's Rooftop Equipment to comparably functional space on the roof or in the penthouse of the Building by giving Tenant prior written notice thereof. Landlord agrees to pay the reasonable costs thereof. Tenant shall arrange for the relocation of Tenant's Rooftop Equipment within sixty (60) days after receipt of Landlord's notification of such relocation. In the event Tenant fails to arrange for relocation within such sixty (60)-day period, Landlord shall have the right to arrange for the relocation of Tenant's Rooftop Equipment in a manner that does not unnecessarily interrupt or interfere with Tenant's use of the Premises for the Permitted Use.

42. Option to Extend Term. Tenant shall have one (1) option ("Option") to extend the Term by five (5) years as to the entire Premises (and no less than the entire Premises) upon thefollowing terms and conditions. Any extension of the Term pursuant to the Option shall be on all the same terms and conditions as this Lease, except as follows: Base Rent at the commencement of the Option term shall equal the then-current fair market value for comparable office and laboratory space in the Seattle market of comparable age, quality, level of finish and proximity to amenities and public transit, and containing the systems and improvements present in the Premises as of the date that Tenant gives Landlord written notice of Tenant's election to exercise the Option ("FMV"), and shall be further increased on each annual anniversary of the Option term commencement date by three percent (3%). Tenant may, no more than fifteen (15) months prior to the date the Term is then scheduled to expire, request Landlord's estimate of the FMV for the Option term. Landlord shall, within fifteen (15) days after receipt of such request, give Tenant a written proposal of such FMV. If Tenant subsequently gives written notice to exercise the Option, such notice shall specify whether Tenant accepts Landlord's proposed estimate of FMV. If Tenant does not accept the FMV, then the parties shall endeavor to agree upon the FMV, taking into account all relevant factors, including (a) the size of the Premises, (b) the length of the Option term, (c) rent in comparable buildings in the relevant market, including concessions offered to new tenants, such as free rent, tenant improvement allowances, leasing commissions and moving allowances, (d) Tenant's creditworthiness and (e) the quality and location of the Building and the Project. In the event that the parties are unable to agree upon the FMV within thirty (30) days after Tenant notifies Landlord that Tenant is exercising the Option, then either party may request that the same be determined as follows: a senior officer of a

nationally recognized leasing brokerage firm with local knowledge of the Seattle laboratory/research and development leasing market (the "Baseball Arbitrator") shall be selected and paid for jointly by Landlord and Tenant. If Landlord and Tenant are unable to agree upon the Baseball Arbitrator, then the same shall be designated by the local chapter of the Judicial Arbitration and Mediation Services or any successor organization thereto (the "JAMS"). The Baseball Arbitrator selected by the parties or designated by JAMS shall (y) have at least ten (10) years' experience in the leasing of laboratory/research and development space in the Seattle market and (z) not have been employed or retained by either Landlord or Tenant or any affiliate of either for a period of at least ten (10) years prior to appointment pursuant hereto. Each of Landlord and Tenant shall submit to the Baseball Arbitrator and to the other party its determination of the FMV. The Baseball Arbitrator shall grant to Landlord and Tenant a hearing and the right to submit evidence. The Baseball Arbitrator shall determine which of the two (2) FMV determinations more closely represents the actual FMV. The arbitrator may not select any other FMV for the Premises other than one submitted by Landlord or Tenant. The FMV selected by the Baseball Arbitrator shall be binding upon Landlord and Tenant and shall serve as the basis for determination of Base Rent payable for the Option term. If, as of the commencement date of the Option term, the amount of Base Rent payable during the Option term shall not have been determined, then, pending such determination, Tenant shall pay Base Rent equal to the Base Rent payable with respect to the last year of the then-current Term. After the final determination of Base Rent payable for the Option term, the parties shall promptly execute a written amendment to this Lease specifying the amount of Base Rent to be paid during the Option term. Any failure of the parties to execute such amendment shall not affect the validity of the FMV determined pursuant to this Section.

42.1 The Option is not assignable separate and apart from this Lease, except that is shall be assignable to and exercisable by a Tenant's Affiliate that is the Tenant as a result of an Exempt Transfer.

42.2 The Option is conditional upon Tenant giving Landlord written notice of its election to exercise the Option at least twelve (12) months prior to the end of the expiration of the then-current Term. Time shall be of the essence as to Tenant's exercise of the Option. Tenant assumes full responsibility for maintaining a record of the deadlines to exercise the Option. Tenant acknowledges that it would be inequitable to require Landlord to accept any exercise of the Option after the date provided for in this Section.

42.3 Notwithstanding anything contained in this Article to the contrary, Tenant shall not have the right to exercise the Option:

(a) During the time commencing from the date Landlord delivers to Tenant a written notice that Tenant is actually in default under any provisions of this Lease and continuing until Tenant has cured the specified default to Landlord's reasonable satisfaction; or

(b) At any time after any Default as described in Article 31 of the Lease (provided, however, that, for purposes of this Section 42.4(b), Landlord shall not be required to

provide Tenant with notice of such Default) and continuing until Tenant cures any such Default, if such Default is susceptible to being cured; or

(c) In the event that Tenant has defaulted (beyond applicable notice and cure periods) in the performance of either a material monetary obligation or material non-monetary obligation under this Lease two (2) or more times in the prior twenty-four (24) months, whether or not Tenant has cured such defaults.

42.4 The period of time within which Tenant may exercise the Option shall not be extended or enlarged by reason of Tenant's inability to exercise such Option because of the provisions of Section 42.4.

42.5 All of Tenant's rights under the provisions of the Option shall terminate and be of no further force or effect even after Tenant's due and timely exercise of the Option if, after such exercise, but prior to the commencement date of the new term, (a) Tenant fails to pay to Landlord a monetary obligation of Tenant for a period of twenty (20) days after written notice from Landlord to Tenant, (b) Tenant fails to commence to cure a material non-monetary default within thirty (30) days after the date Landlord gives notice to Tenant of such material non-monetary default or (c) Tenant has defaulted (beyond any applicable notice and cure periods) with respect to either a monetary obligation or material non-monetary obligation under this Lease two (2) or more times.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LANDLORD:

BMR-500 FAIRVIEW AVENUE LLC,
a Delaware limited liability company

By: */s/ Marie Lewis*
Name: Marie Lewis
Title: VP, Real Estate Legal

TENANT:

SILVERBACK THERAPEUTICS, INC.
A Delaware corporation

By: */s/ Peter A. Thompson, MD*
Name: Peter A. Thompson, MD
Title: CEO

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF)

On 6/10/16, 2016, before me, Fern M. Kissel, Notary Public, personally appeared Marie Lewis, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he/~~she executed the same in ~~his/~~her authorized capacity, and that by ~~his/~~her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

/s/ Fern M. Kissel
Notary Public

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On this 9th day of June, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Peter A. Thompson, known to me to be the CEO of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

/s/ Sharen Bajema
Signature

SHAREN BAJEMA
Print Name

NOTARY PUBLIC in and for the State of Washington, residing at Kirkland.

My commission expires 6-16-18.

EXHIBIT A-1

PROPERTY

Ground lease estate in the following described premises created by Lease dated as of January 28, 2008 between Nelchina Point Limited Partnership, as ground lessor, and BMR-500 Fairview Avenue LLC, as ground lessee, as evidenced by the Memorandum of Lease dated as of January 28, 2008 recorded in the King County, Washington Land Records on January 28, 2008 as Document Number 20080128000091:

Lots 4, 5 and 6, Block 5, Sorenson's Addition to the City of Seattle, according to the plat thereof recorded in Volume 1 of plats, page(s) 218, in King County, Washington.

EXHIBIT A-2

PREMISES

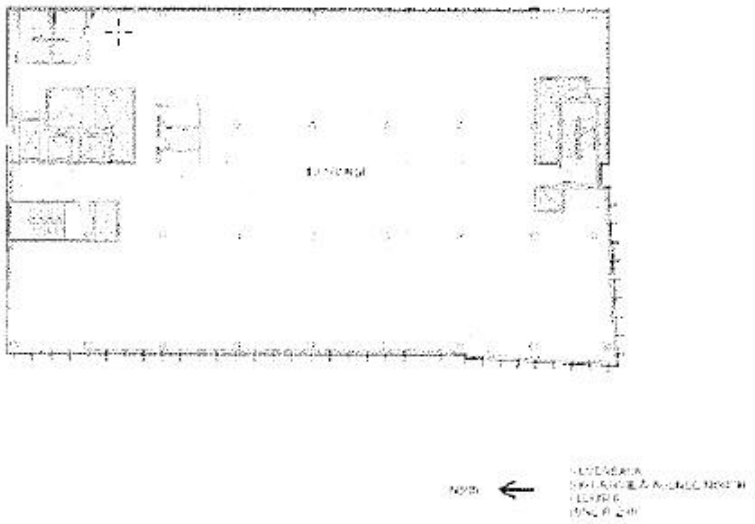

EXHIBIT A-3

STORAGE SPACE

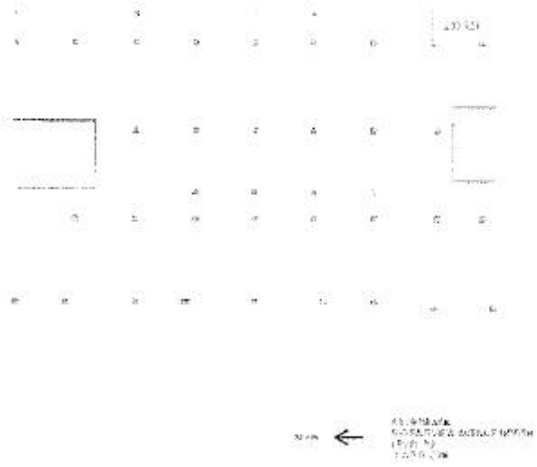

EXHIBIT B

WORK LETTER

This Work Letter (this "Work Letter") is made and entered into as of the 8th day of June, 2016, by and between BMR-500 FAIRVIEW AVENUE LLC, a Delaware limited liability company ("Landlord"), and SILVERBACK THERAPEUTICS, INC., a Delaware corporation ("Tenant"), and is attached to and made a part of that certain Lease dated as of June 8th, 2016 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the "Lease"), by and between Landlord and Tenant for the Premises located at 500 Fairview Avenue North, Seattle, Washington 98109. All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Lease.

1. General Requirements.

1.1 Authorized Representatives.

(a) Landlord designates, as Landlord's authorized representative ("Landlord's Authorized Representative"), (i) John Moshy as the person authorized to initial plans, drawings, approvals and to sign change orders pursuant to this Work Letter and (ii) an officer of Landlord as the person authorized to sign any amendments to this Work Letter or the Lease. Tenant shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by the appropriate Landlord's Authorized Representative. Landlord may change either Landlord's Authorized Representative upon one (1) business day's prior written notice to Tenant.

(b) Tenant designates Russ Hawkinson ("Tenant's Authorized Representative") as the person authorized to initial and sign all plans, drawings, change orders and approvals pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by Tenant's Authorized Representative. Tenant may change Tenant's Authorized Representative upon one (1) business day's prior written notice to Landlord.

1.2 Schedule. The schedule for design and development of the Tenant Improvements, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with a schedule to be prepared by Tenant (the "Schedule"). Tenant shall prepare the Schedule so that it is a reasonable schedule for the completion of the Tenant Improvements. The Schedule shall clearly identify all activities requiring Landlord participation, including specific dates and time periods when Tenant's contractor will require access to areas of the Project outside of the Premises. As soon as the Schedule is completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Schedule shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord disapproves the Schedule, then Landlord shall notify Tenant in writing of its objections to such Schedule, and the parties shall confer and negotiate in good faith to reach agreement on

the Schedule. The Schedule shall be subject to adjustment as mutually agreed upon in writing by the parties, or as provided in this Work Letter.

1.3 Tenant's Architects, Contractors and Consultants. The architect, engineering consultants, design team, general contractor and subcontractors responsible for the construction of the Tenant Improvements shall be selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. Landlord may refuse to use any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony or may not have sufficient experience, in Landlord's reasonable opinion, to perform work in an occupied Class "A" laboratory research building and in lab areas. All Tenant contracts related to the Tenant Improvements shall provide that Tenant may assign such contracts and any warranties with respect to the Tenant Improvements to Landlord.

2. Tenant Improvements. All Tenant Improvements shall be performed by Tenant's contractor, at Tenant's sole cost and expense (subject to Landlord's obligations with respect to any portion of the TI Allowance and the Test Fit Allowance) and in accordance with the Approved Plans (as defined below), the Lease and this Work Letter. To the extent that the total projected cost of the Tenant Improvements (as projected by Landlord) exceeds the TI Allowance (such excess, the "Excess TI Costs"), Tenant shall pay the costs of the Tenant Improvements on a pari passu basis with Landlord as such costs become due, in the same proportion that the Excess TI Costs payable by Tenant represent of the total cost of the Tenant Improvements. In other words, if the total cost of the Tenant Improvements is $100,000, and the Excess TI Costs are $25,000, then the Excess TI Costs comprise 25% of the total cost of the Tenant Improvements, and therefore Tenant would pay 25% of the costs of the Tenant Improvements as they come due. If the cost of the Tenant Improvements (as projected by Landlord) increases over Landlord's initial projection (the "Increased TI Costs"), then Landlord may notify Tenant and Tenant shall deposit with Landlord, within ten (10) days after receipt of an invoice therefore, the portion of such Increased TI Costs that would have been required to be paid by Tenant had such Increased TI Costs been included in the initial determination of Excess Costs and Tenant had been required to pay the costs of the Tenant Improvements in the proportion that the Excess TI Costs and the Increased TI Costs, in the aggregate, represent of the total cost of the Tenant Improvements. Thereafter, the remaining balance of such Increased TI Costs shall be included as part of the Excess TI Costs to thereafter be paid by Tenant on a pad passu basis in accordance with this Section. In other words, if the Excess TI Costs originally comprised 25% of the total cost of the Tenant Improvements and subsequently Landlord notifies Tenant of Increased TI Costs that when combined with the original Excess TI Costs comprise 30% of the total cost of the Tenant Improvements, then Tenant shall pay the difference (i.e. an additional five percent (5%) of the costs incurred to date) to Landlord and thereafter be required to pay 30% of the costs of the Tenant Improvements as they become due. If Tenant fails to pay, or is late in paying, any sum due to Landlord under this Work Letter, then Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including the right to interest and the right to assess a late charge), and for purposes of any litigation instituted with regard to such amounts the same shall be considered Rent. All material and equipment furnished by Tenant or its contractors as the Tenant Improvements shall be new or "like new;" the Tenant Improvements shall be performed in a first-class, workmanlike manner; and the quality of the Tenant

Improvements shall be of a nature and character not less than the Building Standard. Tenant shall take, and shall require its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage. All Tenant Improvements shall be performed in accordance with Article 17 of the Lease; provided that, notwithstanding anything in the Lease or this Work Letter to the contrary, in the event of a conflict between this Work Letter and Article 17 of the Lease, the terms of this Work Letter shall govern.

2.1 Work Plans. Tenant shall prepare and submit to Landlord for approval schematics covering the Tenant Improvements prepared in conformity with the applicable provisions of this Work Letter (the "Draft Schematic Plans"). The Draft Schematic Plans shall contain sufficient information and detail to accurately describe the proposed design to Landlord and such other information as Landlord may reasonably request. Landlord shall notify Tenant in writing within ten (10) business days after receipt of the Draft Schematic Plans whether Landlord approves or objects to the Draft Schematic Plans and of the manner, if any, in which the Draft Schematic Plans are unacceptable. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord reasonably objects to the Draft Schematic Plans, then Tenant shall revise the Draft Schematic Plans and cause Landlord's objections to be remedied in the revised Draft Schematic Plans. Tenant shall then resubmit the revised Draft Schematic Plans to Landlord for approval, such approval not to be unreasonably withheld, conditioned or delayed. Landlord's approval of or objection to revised Draft Schematic Plans and Tenant's correction of the same shall be in accordance with this Section until Landlord has approved the Draft Schematic Plans in writing or been deemed to have approved them. The iteration of the Draft Schematic Plans that is approved or deemed approved by Landlord without objection shall be referred to herein as the "Approved Schematic Plans."

2.2 Construction Plans. Tenant shall prepare final plans and specifications for the Tenant Improvements that (a) are consistent with and are logical evolutions of the Approved Schematic Plans and (b) incorporate any other Tenant-requested (and Landlord-approved) Changes (as defined below). As soon as such final plans and specifications ("Construction Plans") are completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. All such Construction Plans shall be submitted by Tenant to Landlord in electronic .pdf, CADD and full-size hard copy formats, and shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If the Construction Plans are disapproved by Landlord, then Landlord shall notify Tenant in writing of its objections to such Construction Plans, and the parties shall confer and negotiate in good faith to reach agreement on the Construction Plans. Promptly after the Construction Plans are approved by Landlord and Tenant, two (2) copies of such Construction Plans shall be initialed and dated by Landlord and Tenant, and Tenant shall promptly submit such Construction Plans to all appropriate Governmental Authorities for approval. The Construction Plans so approved, and all change orders specifically permitted by this Work Letter, are referred to herein as the "Approved Plans."

2.3 Changes to the Tenant Improvements. Any changes to the Approved Plans (each, a "Change") shall be requested and instituted in accordance with the provisions of this Article 2 and shall be subject to the written approval of the non-requesting party in accordance with this Work Letter.

(a) Change Request. Either Landlord or Tenant may request Changes after Landlord approves the Approved Plans by notifying the other party thereof in writing in substantially the same form as the AIA standard change order form (a "Change Request"), which Change Request shall detail the nature and extent of any requested Changes, including (a) the Change, (b) the party required to perform the Change and (c) any modification of the Approved Plans and the Schedule, as applicable, necessitated by the Change. If the nature of a Change requires revisions to the Approved Plans, then the requesting party shall be solely responsible for the cost and expense of such revisions and any increases in the cost of the Tenant Improvements as a result of such Change, provided Tenant shall be required to pay the cost and expense of any Change requested by Landlord to the extent such Change is (i) required to comply with Applicable Laws, (ii) made at the request of a Governmental Authority, or (iii) required to correct a defect or failure of the Approved Plans to comply with this Work Letter. Change Requests shall be signed by the requesting party's Authorized Representative. In the event that any Change requested by Landlord would reasonably be expected to cause and actually does cause a material delay in the construction of the Tenant Improvements such that the Tenant Improvements would have been Substantally Complete prior to the Estimated Term Commencement Date but for such Change requested by Landlord, and such Change was not required for compliance with Applicable Laws or at the request of a Governmental Authority or to correct a defect or failure of the Approved Plans to comply with this Work Letter, then Tenant shall be entitled to a day-for-day abatement of Base Rent for each day following the Estimated Term Commencement Date that Substantial Completion of the Tenant Improvements is actually delayed as a result of such Change request.

(b) Approval of Changes. All Change Requests that involve a material change to the shell and core shall be subject to the other party's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The non-requesting party shall have five (5) business days after receipt of a Change Request to notify the requesting party in writing of the non-requesting party's decision either to approve or object to the Change Request. The non-requesting party's failure to respond within such five (5) business day period shall be deemed approval by the non-requesting party.

2.4 Preparation of Estimates. Tenant shall, before proceeding with any Change, using its best efforts, prepare as soon as is reasonably practicable (but in no event more than five (5) business days after delivering a Change Request to Landlord or receipt of a Change Request) an estimate of the increased costs or savings that would result from such Change, as well as an estimate of such Change's effects on the Schedule. Landlord shall have five (5) business days after receipt of such information from Tenant to (a) in the case of a Tenant-initiated Change Request, approve or reject such Change Request in writing, or (b) in the case of a Landlord-initiated Change Request, notify Tenant in writing of Landlord's decision either to proceed with or abandon the Landlord-initiated Change Request.

2.5 Quality Control Program; Coordination. Tenant shall provide Landlord with information regarding the following (together, the "QCP"): (a) Tenant's general contractor's quality control program and (b) evidence of subsequent monitoring and action plans. The QCP shall be subject to Landlord's reasonable review and approval and shall specifically address the Tenant Improvements. Tenant shall ensure that the QCP is regularly implemented on a scheduled basis and shall provide Landlord with reasonable prior notice and access to attend all inspections and meetings between Tenant and its general contractor. At the conclusion of the Tenant Improvements, Tenant shall deliver the quality control log to Landlord, which shall include all records of quality control meetings and testing and of inspections held in the field, including inspections relating to concrete, steel roofing, piping pressure testing and system commissioning.

3. Completion of Tenant Improvements. Tenant, at its sole cost and expense (except for the TI Allowance and the Test Fit Allowance), shall perform and complete the Tenant Improvements in all respects (a) in substantial conformance with the Approved Plans, (b) otherwise incompliance with provisions of the Lease and this Work Letter and (c) in accordance with Applicable Laws, the requirements of Tenant's insurance carriers, the requirements of Landlord's insurance carriers (to the extent Landlord provides its insurance carriers' requirements to Tenant) and the board of fire underwriters having jurisdiction over the Premises. The Tenant Improvements shall be deemed completed at such time as Tenant shall furnish to Landlord (t) evidence satisfactory to Landlord that (i) all Tenant Improvements have been completed and paid for in full (which shall be evidenced by the architect's certificate of completion and the general contractor's and each subcontractor's and material supplier's final unconditional waivers and releases of liens, each in a form acceptable to Landlord and complying with Applicable Laws, and a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor, together with a statutory notice of substantial completion from the general contractor), (ii) any and all liensrelated to the Tenant Improvements have either been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lienand (iii) no security interests relating to the Tenant Improvements are outstanding, (u) all certifications and approvals with respect to the Tenant Improvements that may be required from any Governmental Authority and any board of fire underwriters or similar body for the use and occupancy of the Premises (including a certificate of occupancy for the Premises for thePermitted Use), (v) certificates of insurance required by the Lease to be purchased andmaintained by Tenant, (w) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises is in accordance with the Approved Plans, (x) complete "as built" drawing print sets, project specifications and shop drawings and electronic CADD files on disc (showing the Tenant Improvements as an overlay on the Building "as built" plans (provided that Landlord provides the Building "as-built" plans provided to Tenant) of all contract documents for work performed by their architect and engineers in relation to the Tenant Improvements, (y) a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems(which report Landlord may hire a licensed, qualified commissioning agent to peer review, and whose reasonable recommendations Tenant's commissioning agent shall perform and incorporate into a revised report) and (z) such other "close out" materials as Landlord reasonably requests

consistent with Landlord's own requirements for its contractors, such as copies of manufacturers' warranties, operation and maintenance manuals and the like.

4. Insurance.

4.1 Property Insurance. At all times during the period beginning with commencement of construction of the Tenant Improvements and ending with final completion of the Tenant Improvements, Tenant shall maintain, or cause to be maintained (in addition to the insurance required of Tenant pursuant to the Lease), property insurance insuring Landlord and the Landlord Parties, as their interests may appear. Such policy shall, on a completed values basis for the full insurable value at all times, insure against loss or damage by fire, vandalism and malicious mischief and other such risks as are customarily covered by property insurance upon all Tenant Improvements and the general contractor's and any subcontractors' machinery, tools and equipment, all while each forms a part of, or is contained in, the Tenant Improvements or any temporary structures on the Premises, or is adjacent thereto; provided that, for the avoidance of doubt, insurance coverage with respect to the general contractor's and any subcontractors' machinery, tools and equipment shall be carried on a primary basis by such general contractor or the applicable subcontractor(s). Tenant agrees to pay any deductible, and Landlord is not responsible for any deductible, for a claim under such insurance. Such property insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord and the Landlord Parties, and shall name Landlord and its affiliates as loss payees as their interests may appear.

4.2 Workers' Compensation Insurance. At all times during the period of construction of the Tenant Improvements, Tenant shall, or shall cause its contractors or subcontractors to, maintain statutory workers' compensation insurance as required by Applicable Laws.

5. Liability. As between Tenand and Landlord, Tenant assumes sole responsibility and liability for any and all injuries or the death of any persons, including Tenant's contractors and subcontractors and their respective employees, agents and invitees, and for any and all damages to property, in each case to the extent caused by, resulting from or arising out of any act or omission on the part of Tenant, Tenant's contractors or subcontractors, or their respective employees, agents and invitees in the prosecution of the Tenant Improvements. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against all Claims due to, because of or arising out of any and all such injuries, death or damage, whether real or alleged, and Tenant and Tenant's contractors and subcontractors shall assume and defend at their sole cost and expense all such Claims; provided, however, that nothing contained in this Work Letter shall be deemed to indemnify or otherwise hold Landlord harmless from or against liability caused by Landlord's negligence or willful misconduct. Any deficiency in design or construction of the Tenant Improvements shall, as between Tenand and Landlord, be solely the responsibility of Tenant, notwithstanding the fact that Landlord may have approved of the same in writing.

6. TI Allowance and Test Fit Allowance.

6.1 Application of TI Allowance and Test Fit Allowance. Landlord shall contribute the Test Fit Allowance towards the cost of a test fit plan for the Premises (which Landlord may elect to pay directly to Tenant's architect, in its sole discretion), and Landlord shall contribute the TI Allowance toward the costs and expenses incurred in connection with the performance of the Tenant Improvements, all in accordance with Article 4 of the Lease. If the entire Test Fit Allowance is not applied toward the cost of the test fit plan, or if the TI Allowance is not applied toward or reserved for the costs of the Tenant Improvements, then Tenant shall not be entitled to a credit of such unused portion of the Test Fit Allowance or the TI Allowance. If the entire Excess TI Costs advanced by Tenant to Landlord are not applied toward the costs of the Tenant Improvements, then Landlord shall promptly return such excess to Tenant following completion of the Tenant Improvements. Tenant may apply the Test Fit Allowance for the payment of the test fit plan costs and may apply the TI Allowance for the payment of construction and other costs, all in accordance with the terms and provisions of the Lease.

6.2 Approval of Budget for the Tenant Improvements. Notwithstanding anything to the contrary set forth elsewhere in this Work Letter or the Lease, Landlord shall not have any obligation to expend any portion of the TI Allowance until Landlord and Tenant shall have approved in writing the budget for the Tenant Improvements (the "Approved Budget"). Prior to Landlord's approval of the Approved Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Tenant Improvements as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Tenant Improvements that exceed the amount of the TI Allowance. Landlord shall not unreasonably withhold, condition or delay its approval of any budget for Tenant Improvements that is proposed by Tenant.

6.3 Fund Requests.

(a) Test Fit Allowance. Upon submission by Tenant to Landlord of an itemized invoice for the test fit plan costs, then Landlord shall, within thirty (30) days following receipt of such invoice, pay to Tenant or, at Landlord's election in its sole discretion, to Tenant's architect, the amount of the test fit plan costs, up to the amount of the Test Fit Allowance.

(b) TI Allowance. Upon submission by Tenant to Landlord of (i) a statement (a "Fund Request") setting forth the total amount of the TI Allowance requested, (ii) a summary of the Tenant Improvements performed using AIA standard form Application for Payment (G 702) executed by the general contractor and by the architect, (iii) invoices from the general contractor, the architect, and any subcontractors, material suppliers and other parties requesting payment with respect to the amount of the TI Allowance then being requested, (iv) unconditional lien releases from (A) the general contractor, and (B) each subcontractor and material supplier performing work or providing materials or supplies, the total cost of which is $50,000 or more, in each case with respect to previous payments made by either Landlord or Tenant for the Tenant Improvements in a form acceptable to Landlord and complying with Applicable Laws; and (v) conditional lien releases from the general contractor and each subcontractor and material supplier with respect to the Tenant Improvements performed that correspond to the Fund Request, each in a form complying with Applicable Laws, then Landlord shall, within thirty (30) days following receipt by Landlord of a Fund Request and the accompanying materials required by this Section, pay to (as elected by Landlord) the applicable contractors, subcontractors and material suppliers

or Tenant (for reimbursement for payments made by Tenant to such contractors, subcontractors or material suppliers either prior to Landlord's approval of the Approved TI Budget or as a result of Tenant's decision to pay for the Tenant Improvements itself and later seek reimbursement from Landlord in the form of one lump sum payment in accordance with the Lease and this Work Letter), the amount of Tenant Improvement costs set forth in such Fund Request or Landlord's pari passu share thereof if Excess TI Costs exist based on the Approved Budget; provided, however, that Landlord shall not be obligated to make any payments under this Section until the budget for the Tenant Improvements is approved in accordance with Section 6.2 and any Fund Request under this Section shall be subject to the payment limits set forth in Section 6.2 above and Article 4 of the Lease. Notwithstanding anything in this Section to the contrary, Tenant shall not submit a Fund Request more often than every thirty (30) days. Any additional Fund Requests submitted by Tenant shall be void and of no force or effect.

6.4 Accrual Information. In addition to the other requirements of this Section 6, Tenant shall, no later than the second (2nd) business day of each month until the Tenant Improvements are complete, provide Landlord with an estimate of (a) the percentage of design and other soft cost work that has been completed, (b) design and other soft costs spent through the end of the previous month, both from commencement of the Tenant Improvements and solely for the previous month, (c) the percentage of construction and other hard cost work that has been completed, (d) construction and other hard costs spent through the end of the previous month, both from commencement of the Tenant Improvements and solely for the previous month, and (e) the date of Substantial Completion of the Tenant Improvements.

7. Miscellaneous.

7.1 Incorporation of Lease Provisions. Sections 40.6 through 40.19 of the Lease are incorporated into this Work Letter by reference, and shall apply to this Work Letter in the same way that they apply to the Lease.

7.2 General. Except as otherwise set forth in the Lease or this Work Letter, this Work Letter shall not apply to improvements performed in any additional premises added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise; or to any portion of the Premises or any additions to the Premises in the event of a renewal or extension of the original Term, whether by any options under the Lease or otherwise, unless the Lease or any amendment or supplement to the Lease expressly provides that such additional premises are to be delivered to Tenant in the same condition as the initial Premises. In the event of any conflict between the terms of the Lease and this Work Letter with respect to any matter contained in this Work Letter, this Work Letter shall govern.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter to be effective on the date first above written.

LANDLORD:

BMR-500 FAIRVIEW AVENUE LLC,
a Delaware limited liability company

By: */s/ Marie Lewis*
Name: Marie Lewis
Title: VP, Real Estate Legal

TENANT:

SILVERBACK THERAPEUTICS, INC.
A Delaware corporation

By: */s/ Peter A. Thompson, MD*
Name: Peter A. Thompson, MD
Title: CEO

EXHIBIT B-1

TENANT WORK INSURANCE SCHEDULE

Tenant shall be responsible for requiring all of Tenant contractors doing construction or renovation work to purchase and maintain such insurance as shall protect it from the claims set forth below which may arise out of or result from any Tenant Work whether such Tenant Work is completed by Tenant or by any Tenant contractors or by any person directly or indirectly employed by Tenant or any Tenant contractors, or by any person for whose acts Tenant or any Tenant contractors may be liable:

1. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Tenant Work to be performed.

2. Claims for damages because of bodily injury, occupational sickness or disease, or death of employees under any applicable employer's liability law.

3. Claims for damages because of bodily injury, or death of any person other than Tenant's or any Tenant contractors' employees.

4. Claims for damages insured by usual personal injury liability coverage which are sustained (a) by any person as a result of an offense directly or indirectly related to the employment of such person by Tenant or any Tenant contractors or (b) by any other person.

5. Claims for damages, other than to the Tenant Work itself, because of injury to or destruction of tangible property, including loss of use therefrom.

6. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

Tenant contractors' Commercial General Liability Insurance shall include premises/operations (including explosion, collapse and underground coverage if such Tenant Work involves any underground work), elevators, independent contractors, products and completed operations, and blanket contractual liability on all written contracts, all including broad form property damage coverage.

Tenant contractors' Commercial General, Automobile, Employers and Umbrella Liability Insurance shall be written for not less than limits of liability as follows:

a. Commercial General Liability: Bodily Injury and Property Damage	Commercially reasonable amounts, but in any event no less than $1,000,000 per occurrence and $2,000,000 general aggregate, with $2,000,000 products and completed operations aggregate.
b. Commercial Automobile Liability: Bodily Injury and Property Damage	$1,000,000 per accident
c. Employer's Liability:	
Each Accident	$500,000
Disease – Policy Limit	$500,000
Disease – Each Employee	$500,000
d. Umbrella Liability: Bodily Injury and Property Damage	Commercially reasonable amounts (excess of coverages a, b and c above), but in any event no less than $5,000,000 per occurrence / aggregate.

Tenant shall require its contractors to cause all of their subcontractors to carry the same coverages and limits as specified above, unless different limits are reasonably approved by Landlord. The foregoing policies shall contain a provision that coverages afforded under the policies shall not be canceled or not renewed until at least thirty (30) days' prior written notice has been given to the Landlord. Certificates of insurance including required endorsements showing such coverages to be in force shall be filed with Landlord prior to the commencement of any Tenant Work and prior to each renewal. Coverage for completed operations must be maintained for the lesser of ten (10) years and the applicable statute of repose following completion of the Tenant Work, and certificates evidencing this coverage must be provided to Landlord. The minimum A.M. Best's rating of each insurer shall be A- VII. Landlord and its mortgagees shall be named as an additional insureds under Tenant contractors' Commercial General Liability, Commercial Automobile Liability and Umbrella Liability Insurance policies as respects liability arising from work or operations performed, or ownership, maintenance or use of autos, by or on behalf of such contractors. Each contractor and its insurers shall provide waivers of subrogation with respect to any claims covered or that should have been covered by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder.

If any contractor's work involves the handling or removal of asbestos (as reasonably determined by Landlord), such contractor shall also carry Pollution Legal Liability insurance. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage, including physical injury to or destruction of tangible property

(including the resulting loss of use thereof), clean-up costs and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the Term Commencement Date, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate.

EXHIBIT C

ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE

AND TERM EXPIRATION DATE

THIS ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE AND TERM EXPIRATION DATE is entered into as of [_____], 20[___], with reference to that certain Lease (the "Lease") dated as of [_____], 20[ ], by SILVERBACK THERAPEUTICS, INC., a Delaware corporation ("Tenant"), in favor of BMR-500 FAIRVIEW AVENUE LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of the Premises for construction of improvements or the installation of personal or other property on [_____], 20[___], and for use in accordance with the Permitted Use on [_____], 20[__]. Tenant first occupied the Premises for the Permitted Use on [_____], 20[___]. Tenant accepted possession of the Storage Space for use in accordance with the Permitted Use on [_____], 20[___].

2. The Premises and the Storage Space are in good order, condition and repair.

3. The Tenant Improvements are Substantially Complete.

4. All conditions of the Lease to be performed by Landlord as a condition to the full effectiveness of the Lease have been satisfied, and Landlord has fulfilled all of its duties in the nature of inducements offered to Tenant to lease the Premises and the Storage Space.

5. In accordance with the provisions of Article 4 of the Lease, the Term Commencement Date is [_____], 20[ ], and, unless the Lease is terminated prior to the Term Expiration Date pursuant to its terms, the Term Expiration Date shall be [_____], 20[__].

6. The Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [_____]].

7. Tenant has no existing defenses against the enforcement of the Lease by Landlord, and there exist no offsets or credits against Rent owed or to be owed by Tenant.

8. The obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Lease commenced to accrue on [_____], 20[__], with Base Rent payable on the dates and amounts set forth in the chart below:

Monthly and annual installments of Base Rent for the Premises (excluding the Storage Space) as of the Term Commencement Date, subject to adjustment under the Lease:

Dates	Square Feet of	Annual Base Rent per Square Foot of	Monthly Base	Annual Base

	Rentable Area*	Rentable Area	Rent*	Rent*
Term Commencement Date – Month 4	19,370	Abated in accordance with Section 7.1 below	$ 0.00	
Months 5-12	19,370	$ 54.25	$ 87,568.54	$ 700,548.33
Months 13-24	19,370	$ 55.88	$ 90,199.64	$1,082,395.60
Months 25 -36	19,370	$ 57.55	$ 92,895.30	$1,114,743.50
Months 37 – 48	19,370	$ 59.28	$ 95,687.80	$1,148,253.60
Months 49 – 60	19,370	$ 61.06	$ 98,561.02	$1,182,732.20
Months 61 – 72	19,370	$ 62.89	$101,514.95	$1,218,179.30
Months 73 – 84	19,370	$ 64.78	$104,565.72	$1,254,788.60
Months 85 – 96	19,370	$ 66.72	$107,697.20	$1,292,366.40
Months 97 – 108	19,370	$ 68.72	$110,925.54	$1,331,106.40
Months 109 –120	19,370	$ 70.78	$114,250.72	$1,371,008.60

* *Note: Subject to adjustment based upon the Rentable Area of the Premises (excluding the Storage Space) as of the Term Commencement Date.*

Monthly and annual installments of Base Rent for the Storage Space as of the Term Commencement Date, subject to adjustment under the Lease:

Dates	Square Feet of Rentable Area	Annual Base Rent per Square Foot of Rentable Area	Monthly Base Rent	Annual Base Rent
Term Commencement Date – Month 12	459	$ 18.00	$ 688.50	$ 8,262.00
Months 13– 24	459	$ 18.54	$ 709.16	$ 8,509.86
Months 25 -36	459	$ 19.10	$ 730.58	$ 8,766.90
Months 37 – 48	459	$ 19.67	$ 752.38	$ 9,028.53

Months 49 – 60	459	$20.26	$774.95	$ 9,299.34
Months 61 – 72	459	$20.87	$798.28	$ 9,579.33
Months 73 – 84	459	$21.49	$822.00	$ 9,863.91
Months 85 – 96	459	$22.14	$846.86	$10,162.26
Months 97 – 108	459	$22.80	$872.10	$10,465.20
Months 109 – 120	459	$23.49	$898.50	$10,781.91

The undersigned Tenant has not made any prior assignment, transfer, hypothecation or pledge of the Lease or of the rents thereunder or sublease of the Premises or any portion thereof.

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IN WITNESS WHEREOF, Tenant has executed this Acknowledgment of Term Commencement Date and Term Expiration Date as of the date first written above.

TENANT:

SILVERBACK THERAPEUTICS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF LETTER OF CREDIT

[On letterhead or L/C letterhead of Issuer]

LETTER OF CREDIT

Date: _____, 20__

BMR-500 Fairview Avenue LLC (the "Beneficiary")
17190 Bernardo Center Drive
San Diego, California 92128
Attention: Real Estate Legal
L/C. No.: _____
Loan No. : _____

Ladies and Gentlemen:

We establish in favor of Beneficiary our irrevocable and unconditional Letter of Credit numbered as identified above (the "**L/C**") for an aggregate amount of $_____, expiring at __:00 p.m. on _____ or, if such day is not a Banking Day, then the next succeeding Banking Day (such date, as extended from time to time, the "Expiry Date"). "Banking Day" means a weekday except a weekday when commercial banks in _____ are authorized or required to close.

We authorize Beneficiary to draw on us (the "Issuer") for the account of _____ (the "Account Party"), under the terms and conditions of this L/C.

Funds under this L/C are available by presenting the following documentation (the "Drawing Documentation"): (a) the original L/C and (b) a sight draft substantially in the form of Attachment 1, with blanks filled in and bracketed items provided as appropriate. No other evidence of authority, certificate, or documentation is required.

Drawing Documentation must be presented at Issuer's office at _____ on or before the Expiry Date by personal presentation, courier or messenger service, or fax. Presentation by fax shall be effective upon electronic confirmation of transmission as evidenced by a printed report from the sender's fax machine. After any fax presentation, but not as a condition to its effectiveness, Beneficiary shall with reasonable promptness deliver the original Drawing Documentation by any other means. Issuer will on request issue a receipt for Drawing Documentation.

We agree, irrevocably, and irrespective of any claim by any other person, to honor drafts drawn under and in conformity with this L/C, within the maximum amount of this L/C, presented

to us on or before the Expiry Date, provided we also receive (on or before the Expiry Date) any other Drawing Documentation this L/C requires.

We shall pay this L/C only from our own funds by check or wire transfer, in compliance with the Drawing Documentation.

If Beneficiary presents proper Drawing Documentation to us on or before the ExpiryDate, then we shall pay under this L/C at or before the following time (the "Payment Deadline"): (a) if presentment is made at or before noon of any Banking Day, then the close of such Banking Day; and (b) otherwise, the close of the next Banking Day. We waive any right to delay payment beyond the Payment Deadline. If we determine that Drawing Documentation is not proper, then we shall so advise Beneficiary in writing, specifying all grounds for our determination, within one Banking Day after the Payment Deadline.

Partial drawings are permitted. This L/C shall, except to the extent reduced thereby, survive any partial drawings.

We shall have no duty or right to inquire into the validity of or basis for any draw under this L/C or any Drawing Documentation. We waive any defense based on fraud or any claim of fraud.

The Expiry Date shall automatically be extended by one year (but never beyond _____ (the "Outside Date")) unless, on or before the date 90 days before any Expiry Date, we have given Beneficiary notice that the Expiry Date shall not be so extended (a "Nonrenewal Notice"). We shall promptly upon request confirm any extension of the Expiry Date under the preceding sentence by issuing an amendment to this L/C, but such an amendment is not required for the extension to be effective. We need not give any notice of the Outside Date.

Beneficiary may from time to time without charge transfer this L/C, in whole but not in part, to any transferee (the "Transferee"). Issuer shall look solely to Account Party for payment of any fee for any transfer of this L/C. Such payment is not a condition to any such transfer. Beneficiary or Transferee shall consummate such transfer by delivering to Issuer the original of this L/C and a Transfer Notice substantially in the form of Attachment 2, purportedly signed by Beneficiary, and designating Transferee. Issuer shall promptly reissue or amend this L/C in favor of Transferee as Beneficiary. Upon any transfer, all references to Beneficiary shall automatically refer to Transferee, who may then exercise all rights of Beneficiary. Issuer expressly consents to any transfers made from time to time in compliance with this paragraph.

Any notice to Beneficiary shall be in writing and delivered by hand with receipt acknowledged or by overnight delivery service such as FedEx (with proof of delivery) at the above address, or such other address as Beneficiary may specify by written notice to Issuer. A copy of any such notice shall also be delivered, as a condition to the effectiveness of such notice, to: _____ (or such replacement as Beneficiary designates from time to time by written notice).

No amendment that adversely affects Beneficiary shall be effective without Beneficiary's written consent.

This L/C is subject to and incorporates by reference: (a) the International StandbyPractices 98 ("ISP 98"); and (b) to the extent not inconsistent with ISP 98, Article 5 of the Uniform Commercial Code of the State of New York.

Very truly yours,

[Issuer Signature]

ATTACHMENT 1 TO EXHIBIT D

FORM OF SIGHT DRAFT

[BENEFICIARY LETTERHEAD]

TO:

[Name and Address of Issuer]

SIGHT DRAFT

AT SIGHT, pay to the Order of _____, the sum of _____ United States Dollars ($_____). Drawn under [Issuer] Letter of Credit No. _____ dated _____.

[Issuer is hereby directed to pay the proceeds of this Sight Draft solely to the following account: _____.]

[Name and signature block, with signature or purported signature of Beneficiary]

Date: _____

ATTACHMENT 2 TO EXHIBIT D

FORM OF TRANSFER NOTICE

[BENEFICIARY LETTERHEAD]

TO:

[Name and Address of Issuer] (the "Issuer")

TRANSFER NOTICE

By signing below, the undersigned, Beneficiary (the "Beneficiary") under Issuer's Letter of Credit No. _____ dated _____ (the "L/C"), transfers the L/C to the following transferee (the "Transferee"):

[Transferee Name and Address]

The original L/C is enclosed. Beneficiary directs Issuer to reissue or amend the L/C in favor of Transferee as Beneficiary. Beneficiary represents and warrants that Beneficiary has not transferred, assigned, or encumbered the L/C or any interest in the L/C, which transfer, assignment, or encumbrance remains in effect.

[Name and signature block, with signature or purported signature of Beneficiary]

Date: _____]

EXHIBIT E

RULES AND REGULATIONS

NOTHING IN THESE RULES AND REGULATIONS ("RULES AND REGULATIONS") SHALL SUPPLANT ANY PROVISION OF THE LEASE. IN THE EVENT OF A CONFLICT OR INCONSISTENCY BETWEEN THESE RULES AND REGULATIONS AND THE LEASE, THE LEASE SHALL PREVAIL.

1. No Tenant Party shall encumber or obstruct the common entrances, lobbies, elevators, sidewalks and stairways of the Building(s) or the Project or use them for any purposes other than ingress or egress to and from the Building(s) or the Project.

2. Except as specifically provided in the Lease, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside of the Premises or the Building(s) without Landlord's prior written consent. Landlord shall have the right to remove, at Tenant's sole cost and expense and without notice, any sign installed or displayed in violation of this rule.

3. If Landlord objects in writing to any curtains, blinds, shades, screens, hanging plants or other similar objects attached to or used in connection with any window or door of the Premises or placed on any windowsill, and (a) such window, door or windowsill is visible from the exterior of the Premises and (b) such curtain, blind, shade, screen, hanging plant or other object is not included in plans approved by Landlord, then Tenant shall promptly remove such curtains, blinds, shades, screens, hanging plants or other similar objects at its sole cost and expense.

4. No deliveries shall be made that impede or interfere with other tenants in or the operation of the Project. Movement of furniture, office equipment or any other large or bulky material(s) through the Common Area shall be restricted to such hours as Landlord may designate and shall be subject to reasonable restrictions that Landlord may impose.

5. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that (a) such floor was designed to carry or (b) is allowed by Applicable Laws. Fixtures and equipment that cause noises or vibrations that may be transmitted to the structure of the Building(s) to such a degree as to be objectionable to other tenants shall be placed and maintained by Tenant, at Tenant's sole cost and expense, on vibration eliminators or other devices sufficient to eliminate such noises and vibrations to levels reasonably acceptable to Landlord and the affected tenants of the Project.

6. Tenant shall not use any method of FIVAC other than that shown in the Tenant Improvement plans and present at the Project and serving the Premises as of the Execution Date.

7. Tenant shall not install any radio, television or other antennae; cell or other communications equipment; or other devices on the roof or exterior walls of the Premises except

in accordance with the Lease. Tenant shall not interfere with radio, television or other digital or electronic communications at the Project or elsewhere.

8. Canvassing, peddling, soliciting and distributing handbills or any other written material within, on or around the Project (other than within the Premises) are prohibited. Tenant shall cooperate with Landlord to prevent such activities by any Tenant Party.

9. Tenant shall store all of its trash, garbage and Hazardous Materials in receptacles within its Premises or in receptacles designated by Landlord outside of the Premises. Tenant shall not place in any such receptacle any material that cannot be disposed of in the ordinary and customary manner of trash, garbage and Hazardous Materials disposal. Any Hazardous Materials transported through Common Area shall be held in secondary containment devices. Tenant shall be responsible, at its sole cost and expense, for Tenant's removal of its trash, garbage and Hazardous Materials. Tenant is encouraged to participate in the waste removal and recycling program in place at the Project.

10. The Premises shall not be used for lodging or for any improper, immoral or objectionable purpose. No cooking shall be done or permitted in the Premises; provided, however, that Tenant may use (a) equipment approved in accordance with the requirements of insurance policies that Landlord or Tenant is required to purchase and maintain pursuant to the Lease for brewing coffee, tea, hot chocolate and similar beverages, (b) microwave ovens for employees' use and (c) equipment shown on the Tenant Improvement plans approved by Landlord; provided, further, that any such equipment and microwave ovens are used in accordance with Applicable Laws.

11. Tenant shall not, without Landlord's prior written consent, use the name of the Project, if any, in connection with or in promoting or advertising Tenant's business except as Tenant's address.

12. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any Governmental Authority.

13. Tenant assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage, which responsibility includes keeping doors locked and other means of entry to the Premises closed.

14. Tenant shall not modify any locks to the Premises without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay. Tenant shall furnish Landlord with copies of keys, pass cards or similar devices for locks to the Premises.

15. Tenant shall cooperate and participate in all reasonable security programs affecting the Premises.

16. Tenant shall not permit any animals in the Project, other than for service animals or for use in laboratory experiments.

17. Bicycles shall not be taken into the Building(s) (including the elevators and stairways of the Building) except into areas designated by Landlord.

18. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be deposited therein.

19. Discharge of industrial sewage shall only be permitted if Tenant, at its sole expense, first obtains all necessary permits and licenses therefor from all applicable Governmental Authorities.

20. Smoking is prohibited inside the Building and in any area that is within twenty-five (25) feet of any Building entrance, but is permitted in designated outdoor areas of the Project (if any).]

21. The Project's hours of operation are currently 7:00 am to 6:00 pm, Monday through Friday.

22. Tenant shall comply with all orders, requirements and conditions now or hereafter imposed by Applicable Laws or Landlord ("Waste Regulations") regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash generated by Tenant (collectively, "Waste Products"), including (without limitation) the separation of Waste Products into receptacles reasonably approved by Landlord and the removal of such receptacles in accordance with any collection schedules prescribed by Waste Regulations.

23. Tenant, at Tenant's sole cost and expense, shall cause the Premises to be exterminated on a monthly basis to Landlord's reasonable satisfaction and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a manner reasonably satisfactory to Landlord, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. Tenant shall not permit any person to enter the Premises or the Project for the purpose of providing such extermination services, unless such persons have been approved by Landlord. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.

24. If Tenant desires to use any portion of the Common Area for a Tenant-related event, Tenant must notify Landlord in writing at least thirty (30) days prior to such event on the form attached as Attachment 1 to this Exhibit, which use shall be subject to Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. Notwithstanding anything in this Lease or the completed and executed Attachment to the contrary, Tenant shall be solely responsible for setting up and taking down any equipment or other materials required for the event, and shall promptly pick up any litter and report any property damage to Landlord related to the event. Any use of the Common Area pursuant to this Section shall be subject to the provisions of Article 28 of the Lease.

Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of

such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Project, including Tenant. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms covenants, agreements and conditions of the Lease. Landlord reserves the right to make such other and reasonable additional rules and regulations as, in its judgment, may from time to time be needed for safety and security, the care and cleanliness of the Project, or the preservation of good order therein; provided, however, that Tenant shall not be obligated to adhere to such additional rules or regulations until Landlord has provided Tenant with written notice thereof. Tenant agrees to abide by these Rules and Regulations and any such additional rules and regulations issued or adopted by Landlord. Tenant shall be responsible for the observance of these Rules and Regulations by all Tenant Parties.

ATTACHMENT I TO EXHIBIT E

REQUEST FOR USE OF COMMON AREA

REQUEST FOR USE OF COMMON AREA

Date of Request: _____

Landlord/Owner: _____

Tenant/Requestor: _____

Property Location: _____

Event Description: _____

_____

_____

Proposed Plan for Security & Cleaning: _____

_____

_____

Date of Event: _____

Hours of Event: (to include set-up and take down): _____

Location at Property (see attached map): _____

Number of Attendees: _____

Open to the Public? [___] YES [___] NO

Food and/or Beverages? [___] YES [___] NO

If YES:

- Will food be prepared on site? [___] YES [___] NO
- Please describe: _____
- Will alcohol be served? [___] YES [___] NO
- Please describe: _____

- Will attendees be charged for alcohol? [___] YES [___] NO
- Is alcohol license or permit required? [___] YES [___] NO
- Does caterer have alcohol license or permit: [___] YES [___] NO [___] N/A

Other Amenities (tent, booths, band, food trucks, bounce house, etc.): _____

_____

_____

Other Event Details or Special Circumstances: _____

_____

_____

_____

_____

_____

The undersigned certifies that the foregoing is true, accurate and complete and he/she is duly authorized to sign and submit this request on behalf of the Tenant/Requestor named above.

[*INSERT NAME OF TENANT/REQUESTOR*]

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT F

TENANT'S PROPERTY

[To be attached]

EXHIBIT G

FORM OF ESTOPPEL CERTIFICATE

To: BMR-500 FAIRVIEW AVENUE LLC
17190 Bernardo Center Drive
San Diego, California 92128
Attention: Vice President, Real Estate Legal

BioMed Realty, L.P.
17190 Bernardo Center Drive
San Diego, California 92128

Re: Suite [_____] (the "Premises") at 500 Fairview Avenue North, Seattle, Washington (the "Property")

The undersigned tenant ("Tenant") hereby certifies to you as follows:

1. Tenant is a tenant at the Property under a lease (the "Lease") for the Premises dated as of [_____], 20[__]. The Lease has not been cancelled, modified, assigned, extended or amended [except as follows: [_____]], and there are no other agreements, written or oral, affecting or relating to Tenant's lease of the Premises or any other space at the Property. The lease term expires on [_____], 20[__].

2. Tenant took possession of the Premises, currently consisting of [_____] square feet, on [_____], 20[__], and commenced to pay rent with respect to the Premises on [_____], 20[__]. Tenant has full possession of the Premises described above, has not assigned the Lease or sublet any part of the Premises, and does not hold the Premises under an assignment or sublease[, except as follows: [_____]].

3. All base rent, rent escalations and additional rent under the Lease have been paid through [_____], 20[__]. There is no prepaid rent[, except $[_____]][, and the amount of security deposit is $[_____] [in cash][OR][in the form of a letter of credit]]. Tenant currently has no right to any future rent abatement under the Lease.

4. Base rent is currently payable in the amount of $[_____] per month.

5. Tenant is currently paying estimated payments of additional rent of $[_____] per month on account of real estate taxes, insurance, management fees and Common Area maintenance expenses.

6. All work to be performed for Tenant under the Lease has been performed as required under the Lease and has been accepted by Tenant[, except [_____]], and all allowances to be paid to Tenant, including allowances for tenant improvements, moving expenses or other items, have been paid.

7. The Lease is in full force and effect, free from default and free from any event that could become a default under the Lease, and Tenant is not aware of any claims against the landlord or offsets or defenses against rent, and there are no disputes with the landlord. Tenant has received no notice of prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents payable thereunder[, except [_____]].

8. [Tenant has the following expansion rights or options for leasing additional space at the Property: [_____].][OR][Tenant has no rights or options to purchase the Property.]

9. To Tenant's knowledge, no hazardous wastes have been generated, treated, stored or disposed of by or on behalf of Tenant in, on or around the Premises or the Project in violation of any environmental laws.

10. The undersigned has executed this Estoppel Certificate with the knowledge and understanding that [INSERT BMR-500 FAIRVIEW AVENUE LLC, PURCHASER OR LENDER, AS APPROPRIATE] or its assignee is [acquiring the Property/making a loan secured by the Property] in reliance on this certificate and that the undersigned shall be bound by this certificate. The statements contained herein may be relied upon by [INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], BMR-500 Fairview Avenue LLC, BioMed Realty, L.P., BioMed Realty Trust, Inc., and any [other] mortgagee of the Property and their respective successors and assigns.

Any capitalized terms not defined herein shall have the respective meanings given in the Lease.

Dated this [____] day of [_____], 20[__].

SILVERBACK THERAPEUTICS, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT H

FORM OF GROUND LESSOR RECOGNITION AND NON-DISTURBANCE AGREEMENT

WHEN RECORDED RETURN TO:

Silverback Therapeutics, Inc.
500 Yale Avenue N
Seattle, Washington 98109

Document Title: Ground Lessor Recognition and Non-Disturbance Agreement

Grantor: Nelchina Point Limited Partnership, an Alaska limited partnership

Grantee: Silverback Therapeutics, Inc., a Delaware corporation

Legal Description:
Abbreviated Legal Description: Lots 4, 5 & 6, Block 5 Vol. 1 page 218
Full Legal Description: See Exhibit A attached
Assessor's Tax Parcel Nos.: 786 350-0040-02

Related Document No.: 20080128000091

GROUND LESSOR RECOGNITION AND NON-DISTURBANCE AGREEMENT

This Ground Lessor Recognition and Non-Disturbance Agreement (the "**Agreement**") is made as of the ____ day of June, 2016 by and among **NELCHINA POINT LIMITED PARTNERSHIP**, an Alaska limited partnership ("**Landlord**"), **BMR-500 FAIRVIEW AVENUE LLC**, a Delaware limited liability company ("**Tenant**"), and **SILVERBACK THERAPEUTICS, INC.**, a Delaware corporation ("**Subtenant**").

RECITALS:

A. Landlord and Tenant are parties to that certain Ground Lease dated January 28, 2008 (the "**Ground Lease**") which demises certain real property located at 500 Fairview Avenue North, Seattle, Washington (the "**Premises**") more particularly described on Exhibit A attached hereto and made a part hereof, together with all buildings and improvements located thereon and

all easements, rights and appurtenances thereto. The Ground Lease term will expire on January 31, 2088 and Tenant has the right to extend the term thereunder for two additional terms of twenty (20) years each, by notice delivered to Landlord no later than twelve (12) months prior to the then effective expiration of the term.

B. Pursuant to that certain Lease dated as of June ___, 2016 (the "**Sublease**"), Tenant has subleased a portion of the Premises to Subtenant. Capitalized terms used in this Agreement and not otherwise defined shall have the meaning given to such terms in the Sublease.

NOW, THEREFORE, it is agreed as follows:

1. Landlord represents and warrants that, to Landlord's knowledge, no event of default or condition that could become an event of default with the passing of time, the giving of notice, or both, currently exists under the Ground Lease.

2. Tenant and Subtenant have provided Landlord with, and Landlord acknowledges receipt of, a true and complete copy of the Sublease, and Tenant and Subtenant certify to Landlord that the Sublease has not been modified or amended. Landlord acknowledges that Subtenant would not enter into the Sublease but for the terms of this Agreement and in reliance on the recitals stated herein.

3. The parties acknowledge that the Sublease is subordinate to the Ground Lease, but by this Agreement Landlord grants Subtenant cure rights and successor rights under the Ground Lease and non-disturbance and recognition under the Sublease, all as expressly set forth in this Agreement.

(a) Landlord agrees that in the event of a default under the Ground Lease by Tenant, Landlord shall provide notice of such default to Subtenant in accordance with Section 4A and 4B hereof at the same time as Landlord provides notice to Tenant of such default, and Subtenant shall have the same rights (but not the obligation) as Tenant under the Ground Lease to cure any such default and shall be given the same notice and cure period to cure such default as provided to Tenant under the Lease.

(b) Provided that the Sublease shall be in full force and effect and Subtenant is not in default under the Sublease beyond the expiration of any applicable notice and cure periods, Landlord shall not, whether in the exercise of any of the rights arising or which may arise out of the Ground Lease or of any instrument modifying or amending the same or entered into in substitution or replacement thereof or otherwise (whether as a result of Tenant's default or otherwise), disturb, interfere with or deprive Subtenant in or of its possession or its rights to possession of the Premises or of any right or privilege granted to or inuring to the benefit of Subtenant under the Sublease, nor shall Subtenant be made a party in any removal or eviction action or other legal proceeding (unless required by law to prosecute such removal or eviction action or other legal proceeding).

(c) In the event of the termination of the Ground Lease by reentry, notice, conditional limitation, surrender, summary proceeding or other action or proceeding, or otherwise (including, without limitation, in connection with any bankruptcy or similar proceeding), or if the Ground Lease shall terminate or expire for any such reason before expiration or termination of the Sublease, (i) the Sublease shall be and remain in full force and effect, so long as Subtenant is not in default under the Sublease beyond the expiration of any applicable notice and cure periods, (ii) Subtenant will not be required to pay or perform Tenant's obligations under the Ground Lease, (iii) Landlord agrees that the Sublease shall continue as a direct lease between Landlord and Subtenant, and in such event Landlord and Subtenant shall be bound to each other under all of the terms, covenants and provisions of the Sublease for the remainder of the term thereof including extensions; provided, however, that Landlord is not bound by nor liable or obligated to pay for the TI Allowance, the Test Fit Allowance or any other financial obligations owed by Tenant to Subtenant under the terms of the Sublease (including but not limited to the return of, or any reduction with respect to, the Security Deposit or any L/C Security provided by Subtenant to Tenant and not transferred to and received by Landlord); and provided, further, however that Landlord shall recognize and be bound by Subtenant's termination rights under the Sublease; provided still further, however, that if following termination of the Ground Lease, (a) Subtenant provides written notice to Landlord specifying the portion of the TI Allowance and/or Test Fit Allowance that Tenant has not funded, and requesting that Landlord agree to fund such portion of the TI Allowance and/or Test Fit Allowance, as the case may be, and (b) Landlord does not, within twenty (20) business days after Tenant provides such notice, commit in a notice (a "**TI Commitment Notice**") to Subtenant to fund such portion of the TI Allowance and/or Test Fit Allowance as and to the extent the Sublease requires Tenant to fund such portion of the TI Allowance and/or Test Fit Allowance, then Subtenant shall have the right to terminate the Sublease by providing notice of such termination to Landlord within ten (10) business days after the expiration of such twenty (20) business day period, and (iv) subject to Subtenant's termination right as set forth in the preceding clause (iii), Subtenant agrees to attorn to and recognize Landlord as "landlord" under the Sublease and Landlord agrees to recognize Subtenant as "tenant" under the Sublease. For avoidance of doubt, Landlord is not required to fund any portion of the TI Allowance, the Test Fit Allowance or any other financial obligation owed by Tenant to Subtenant under the terms of the Sublease except to the extent Landlord commits to fund a portion of the TI Allowance and/or Test Fit Allowance or any such other amount in a TI Commitment Notice.

(d) Notwithstanding any other provision of the Sublease or this Agreement, Landlord shall have no obligations under the Sublease that relate to (i) the Adjacent Building or the Adjacent Property (and for clarification, Landlord's obligations with respect to the Project (as such term is defined in the Sublease) shall specifically exclude any obligations relating to the Adjacent Building and the Adjacent Property), or (ii) the negotiation of an Alternate Lease in the event that Subtenant exercises its Early Termination Option.

4. A. All notices, demands, requests, consents, approvals or other communications required or permitted to be given under this Agreement shall be in writing and addressed as follows:

If to Landlord: Nelchina Point Limited Partnership
c/o Wirum Properties LLC
500 L Street, Suite 100
Anchorage, AK 99501
Attn: John Wirum

with a copy to: Miller Nash Graham & Dunn LLP
2801 Alaskan Way, Suite 300
Seattle, WA 98121
Attn: Maren Gaylor, Esq.

or such other address as Landlord may designate by notice to the other parties;

If to Tenant: BMR-500 Fairview, LLC
17190 Bernardo Center Drive
San Diego, CA 92128
Attn: Real Estate Legal Department
or such other address as Tenant may designate by notice to the other parties; and

If to Subtenant: Silverback Therapeutics, Inc. 500 Yale Avenue N
Seattle, Washington 98109
Attn: Russ Hawkinson

or such other address as Subtenant may designate by notice to the other parties.

Notices may be given by a party's attorney on such party's behalf.

B. Any notice or other communication delivered or sent in accordance with the provisions of this Article shall be deemed to have been properly given or served on the day of delivery (or first attempted delivery if refused), if delivered by hand, courier or overnight courier (e.g. FedEx).

5. No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against whom the same is sought to be asserted.

6. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, sublessees, and assigns.

7. This Agreement may be recorded in the Official Records of King County, Washington.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed effective as of the date first above written.

LANDLORD:

NELCHINA POINT LIMITED PARTNERSHIP,
an Alaska limited partnership

By: NP-GP, LLC, an Alaska limited liability company,
its General Partner

By _____

Name John Wirum

Title Manager

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn personally appeared JOHN WIRUM, known to me to be the Manager of NP-GP, LLC, an Alaska limited liability company, which limited liability company is the General Partner of **NELCHINA POINT LIMITED** PARTNERSHIP, the limited partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited partnership, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

_____
Signature

_____
Print Name
NOTARY PUBLIC in and for the State of Alaska, residing at_____.
My commission expires_____.

TENANT:

BMR-500 FAIRVIEW AVENUE LLC,
a Delaware limited liability company

By _____

Name _____

Title _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF)

On _____, ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

SUBTENANT:

SILVERBACK THERAPEUTICS, INC., a Delaware corporation

By _____

Name _____

Title _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2016 before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn personally appeared _____, known to me to be the _____ of **SILVERBACK THERAPEUTICS, INC.**, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

_____
Signature

_____
Print Name
NOTARY PUBLIC in and for the State of Alaska, residing at _____
_____.
My commission expires _____
_____.

EXHIBIT A

Legal Description of Premises

Lots 4, 5 and 6, Block 5, Sorenson's Addition to the City of Seattle, according to the plat thereof recorded in Volume 1 of plats, page(s) 218, in King County, Washington.

Tax Parcel No: 7860350-0040-02

EXHIBIT I

FORM OF MEMORANDUM OF LEASE

WHEN RECORDED RETURN TO:

Silverback Therapeutics, Inc.
500 Yale Ave N
Seattle, Washington 98109

Document Title: Memorandum of Lease

Grantor: BMR-500 Fairview Avenue LLC, a Delaware limited liability company

Grantee: Silverback Therapeutics, Inc., a Delaware corporation

Legal Description:

Abbreviated Legal Description: Lots 4, 5 & 6, Block 5 Vol. 1 page 218

Full Legal Description: See Exhibit A attached

Assessor's Tax Parcel Nos.: 786 350-0040-02

Related Document No.: Not applicable

MEMORANDUM OF LEASE

Pursuant to a Lease dated as of June ___, 2016 (the "**Lease**"), between **BMR-500 FAIRVIEW AVENUE LLC**, a Delaware limited liability company ("**Landlord**"), and **SILVERBACK THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**"), Landlord has agreed to lease to Tenant certain premises (the "**Premises**") in the building located on the real property situated at 500 Fairview Avenue North, in Seattle, Washington, legally described on Exhibit A attached. Capitalized terms used in this Memorandum of Lease and not defined shall have the meanings given to them in the Lease. The Lease is for a term of ten (10) years. The Estimated Term Commencement Date is November 1, 2016. Pursuant and subject to the terms of the Lease, Tenant has an option to extend the term of the Lease for one (1) five (5) year period.

The purpose of this Memorandum of Lease is to give record notice of the Lease and of the rights created thereby.

[Signatures on following pages]

This Memorandum of Lease is made as of June ___, 2016.

LANDLORD:

BMR-500 FAIRVIEW AVENUE LLC, a Delaware limited liability company

By _____

Name _____

Title _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF)

On _____, ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

TENANT:

SILVERBACK THERAPEUTICS, INC.,
a Delaware corporation

By _____

Name _____

Title _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2016 before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn personally appeared _____, known to me to be the _____ of **SILVERBACK THERAPEUTICS, INC.**, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

_____
Signature

_____
Print Name
NOTARY PUBLIC in and for the State of Alaska, residing at _____.
My commission expires _____.

EXHIBIT A

Legal Description

Ground lease estate in the following described premises created by Lease dated as of January 28, 2008 between Nelchina Point Limited Partnership, as ground lessor, and BMR-500 Fairview Avenue LLC, as ground lessee, as evidenced by the Memorandum of Lease dated as of January 28, 2008 recorded in the King County, Washington Land Records on January 28, 2008 as Document Number 20080128000091:

Lots 4, 5 and 6, Block 5, Sorenson's Addition to the City of Seattle, according to the plat thereof recorded in Volume 1 of plats, page(s) 218, in King County, Washington.

EXHIBIT J

FORM OF TERMINATION OF MEMORANDUM OF LEASE

WHEN RECORDED RETURN TO:

BIOMED REALTY, L.P.
17190 Bernardo Center Drive
San Diego, California 92128
Attention: Real Estate Legal

Document Title: Notice of Lease Termination

Grantor: BMR-500 Fairview Avenue LLC, a Delaware limited liability company

Grantee: Silverback Therapeutics, Inc., a Delaware corporation

Legal Description:

Abbreviated Legal Description: Lots 4, 5 & 6, Block 5 Vol. 1 page 218

Full Legal Description: See Exhibit A attached

Assessor's Tax Parcel Nos.: 786 350-0040-02

Related Document No.: Memorandum of Lease, Recording No. _____

NOTICE OF LEASE TERMINATION

Pursuant to a Lease dated as of June ___, 2016 (the "**Lease**"), between **BMR-500 FAIRVIEW AVENUE LLC**, a Delaware limited liability company ("**Landlord**"), and **SILVERBACK THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**"), Landlord leased to Tenant certain premises (the "**Premises**") in the building located on the real property situated at 500 Fairview Avenue North, in Seattle, Washington, legally described on Exhibit A attached. A Memorandum of Lease was recorded on _____ in the real property records of King County, Washington under Recording No. _____.

The purpose of this Notice of Lease Termination ("**Notice**") is to provide record notice that the term of the Lease has expired or the Lease has been terminated.

This Notice shall be effective on the date this Notice is recorded in the real property records of King County, Washington.

[Signatures on following pages]

LANDLORD:

BMR-500 FAIRVIEW AVENUE LLC,
a Delaware limited liability company

By _____

Name _____

Title _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF)

On _____, ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

TENANT:

SILVERBACK THERAPEUTICS, INC.,
a Delaware corporation

By _____

Name _____

Title _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2016 before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn personally appeared _____, known to me to be the _____ of **SILVERBACK THERAPEUTICS, INC.**, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

_____
Signature

_____
Print Name
NOTARY PUBLIC in and for the State of Alaska, residing at _____.
My commission expires _____.

EXHIBIT A

Legal Description

Ground lease estate in the following described premises created by Lease dated as of January 28, 2008 between Nelchina Point Limited Partnership, as ground lessor, and BMR-500 Fairview Avenue LLC, as ground lessee, as evidenced by the Memorandum of Lease dated as of January 28, 2008 recorded in the King County, Washington Land Records on January 28, 2008 as Document Number 20080128000091:

Lots 4, 5 and 6, Block 5, Sorenson's Addition to the City of Seattle, according to the plat thereof recorded in Volume 1 of plats, page(s) 218, in King County, Washington.

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

MASTER LABORATORY SERVICES AGREEMENT

This Master Laboratory Services Agreement ("Agreement"), when signed by the parties, will set forth the terms and conditions between Silverback Therapeutics, Inc., with its principal offices located at 500 Fairview Avenue North, Suite 600, Seattle, WA 98109, United States ("Customer") and Q Squared Solutions LLC, with its principal offices located at 5827 South Miami Blvd, Morrisville, NC 27560, USA ("Q Squared"), under which Q Squared agrees to provide laboratory services to Customer as set forth below.

Recitals:

A. Customer is in the business of developing, manufacturing and/or distributing pharmaceutical products, medical devices and/or biotechnology products. Q Squared is in the business of providing central laboratory services for the pharmaceutical, medical device and biotechnology industries and has made significant, up-front investments in technologies related to those industries, building on important inventions and web-based technologies.

B. Customer and Q Squared desire to enter into this Agreement to provide the terms and conditions upon which Customer may engage Q Squared from time-to-time to provide services for individual studies or projects by executing individual Work Orders (as defined below) specifying the details of the services and the related terms and conditions.

Customer and Q Squared agree as follows:

1. **Services**.

(a) Description of Services. Q Squared shall provide project planning, consultation on laboratory design, laboratory analysis, other laboratory services, and/or data management services, as requested by Customer from time to time and agreed to by Q Squared during the term of this Agreement (collectively the "**Services**").

(b) Work Order. The specific details of each assignment or task (each a "**Project**") will be specified in writing on terms acceptable to the parties and otherwise subject to the terms and conditions of this Agreement (each such writing, a "**Work Order**") substantially in the form of Attachment B to this Agreement. Each Work Order shall include Central Laboratory Services terms (including a Laboratory Services Document or Central Laboratory Worksheet) which shall describe the nature, scope and timelines for Services being specifically performed for the applicable study. To the extent there is a conflict between the terms of this Agreement and a Work Order, this Agreement will control, except to the extent that the applicable Work Order expressly and specifically states an intent to supersede this Agreement on a specific matter.

(c) Affiliates. "Affiliate" shall mean all entities controlling, controlled by or under common control with Q Squared or Customer, as the case may be. The term "control" shall mean the ability to vote more than fifty percent (50%) of the voting securities of any entity or otherwise

having the ability to direct the management and policies of an entity. Q Squared may utilize Affiliates to carry out its obligations under this Agreement or any Work Order and the Q Squared entity that is the party to the Work Order shall remain responsible for all such Services. Any Affiliate of Q Squared or Customer may enter into a Work Order under this Agreement. The terms, conditions, and rights in this Agreement shall be incorporated into each Work Order and such Affiliate, notwithstanding the foregoing, shall be solely responsible for the performance of the Services under such Work Order.

(d) Specimen Storage Limitations. If requested by Customer and agreed by Q Squared, Q Squared will hold specimens in storage at the conditions (including but not limited to temperature) agreed to between the parties for the time period defined by Customer in the study protocol or the Laboratory Specifications Document and/or Central Laboratory Worksheet, shall have the obligation to hold specimens at such storage conditions, and shall notify Customer if Q Squared cannot hold specimens at, or if it becomes known to Q Squared that Q Squared is out of conformity with, such storage conditions, provided however, Q Squared shall not be responsible, in the event that (i) the specimens or any specific analyte do not remain stable and/or suitable for testing, or (ii) stability data is not available during or after that storage time period. Customer shall ensure it reviews the stability characteristics of the specimen or analyte with Q Squared's scientific affairs department prior to storage of any of the samples. If the stability is unknown, Customer shall define the specimen type, storage duration, and testing interval of the specimen or analyte. Q Squared shall be responsible for the archiving and retention of all relevant documentation relating to the Services according to applicable law during the performance of Services, subject to Section 6 (d) below.

(e) Research-Use-Only Tests. Customer may, from time to time, request that Q Squared performs research-use-only tests ("RUO Tests") that have not been cleared or approved by the United States Food and Drug Administration, (or equivalent local regulatory authority). If Customer requests Q Squared to perform RUO Tests, Customer represents and warrants that Customer and all of Customer's investigators shall use the results from RUO Tests for research purposes only, and will not use any test results from RUO Tests for diagnostic or clinical purposes.

(f) Testing/Services Performed by Other Parties. Unless determined to have resulted directly from Q Squared's gross negligence or willful misconduct, Q Squared shall have no responsibility for or liability in connection with: (a) use of expired supplies by investigators, (b) incorrectly ordered and/or incompatible supplies issued at Customer's direction, (c) testing or other services performed, at Customer's or an investigator's request, by a third party other than Q Squared, its Affiliates or its referral laboratories, or (d) testing or procedures performed at any investigator site not pursuant to Q Squared's instructions.

(g) Conduct of Services. Q Squared shall engage adequately qualified personnel to perform the Services.

2. **Payment of Fees and Expenses.**

(a) Budget. Each Work Order shall contain a line item budget ("Budget") for the

payment of Q Squared 's Services to be performed pursuant to such Work Order as well as additional terms and conditions related to the Budget. Customer will pay Q Squared for the fees, expenses and pass-through costs in accordance with each Budget. Customer shall reimburse Q Squared for all reasonable and necessary travel, lodging and other expenses (including but not limited to investigator site special requests for supplies that are not included in the bulk supply kit or other special requests) incurred in the performance of its Services that have been requested or approved by Customer.

(b) Budget Structure. Customer agrees that the Budget will be structured in an effort to maintain cash neutrality for Q Squared (with respect to the payment of professional fees, pass-through costs and otherwise). Unless otherwise agreed in the Work Order, Customer shall provide an up-front payment which will be credited to Customer on the final invoice. The up-front payment will be outlined in each project Budget. Q Squared will draw from these funds in order to pay for Services and related costs and expenses consistent with the terms of this Agreement.

(c) Invoicing. Q Squared operates on a fee for service basis. Q Squared will invoice Customer monthly or as separately agreed for Services rendered under any Work Order and Customer shall pay all amounts due within [***] days of receipt of the invoice date if an invoice is delivered electronically, or from the date of receipt if Customer requests a paper invoice. If any portion of an invoice is disputed, then Customer shall pay the undisputed amounts within [***] days of receipt of the invoice, and the parties shall use good faith efforts to reconcile the disputed amounts as soon as practicable. Expenses and pass-through costs will be supported by a detailed summary sheet. If the Project extends over more than [***], the Budget may be altered to include an annual cost adjustment. Q Squared reserves the right to impose, and Customer agrees to pay if imposed by Q Squared, interest in an amount equal to [***] percent ([***]%) per month (or the maximum lesser amount permitted by law) of all undisputed amounts owing hereunder, which are outstanding [***] or more days from the due date of the invoice . If Customer requires a purchase order ("PO") related to a Q Squared invoice, then Customer will provide the PO prior to invoicing by Q Squared. If no PO is provided, Q Squared will invoice Customer without the PO. If re-submission of an invoice is required based on Customer's PO requirement or based upon Customer request, Q Squared's re-submission of that invoice will not change the due date for payment based on the original invoice. Any provisions contained within a PO that modify, conflict with or contradict any term or provision of this Agreement shall be deemed to be null and void.

(d) Taxes. Customer shall pay all sales and use taxes, including all applicable goods and services tax, value added tax, local taxes, applicable duties, electronic delivery taxes, excise taxes, levies and import fees (collectively, "Taxes") that are imposed by legislation in connection with the provision of Services and that are not recoverable by Q Squared. All fees set forth in a Work Order are exclusive of Taxes. Where Taxes are paid by Q Squared, Q Squared will provide an invoice, showing the Taxes included. Where any Taxes are paid directly to a tax authority or government by Customer, Customer shall not deduct this amount from any amount due to Q Squared. The requirements of this provision shall not apply to any employment-related taxes, duties, income taxes or withholding and shall only apply Taxes applicable to the Services.

(e) Currency Exchange. The currency to be used for invoice and payment shall be the currency stated in the Budget attached to a Work Order (the "Contracted Currency"). If a currency referenced within the Budget ceases to become legal tender, the applicable replacement currency will be substituted for such currency for the purposes of this clause using the conversion rate established at www.oanda.com. Customer acknowledges that, due to fluctuations in currency exchange rates, Q Squared's actual fees and pass-through costs may be greater or lesser than the budgeted or estimated amounts contained in a Work Order.

Unless otherwise provided in a Work Order, if Q Squared incurs pass-through costs in a currency other than the Contracted Currency, then Customer shall reimburse Q Squared for Q Squared's actual costs in the Contracted Currency based on the Oanda foreign currency exchange rate for the applicable currencies on the last business day of the month immediately preceding the month in which such pass-through costs are submitted.

If a Work Order involves the performance of Services by Q Squared or its Affiliates in any country that uses a currency other than the Contracted Currency, then the Budget for those Services will be based on the local rates in the currency used by Q Squared for pricing in that country, but converted to and reflected in the Contracted Currency. If the fees for Services under a Work Order exceed the equivalent of [***] US dollars ($[***]) (based on the assumptions in the Budget), and the conversion rate between the local currencies and the Contracted Currency has fluctuated more than [***]-percent ([***]%) plus or minus, since the budget was prepared, Q Squared may calculate a foreign currency exchange adjustment. The adjustment will be calculated every [***] after the contract execution date, by comparing the foreign currency exchange rate stated in the Budget attached to the Work Order to the Oanda average rate (unless provided otherwise in a Work Order) over the preceding [***]. Any resulting decrease in costs will be immediately credited to Customer and any resulting increase in costs will be invoiced to Customer, and shall be due for settlement without delay.

Inflation. If the Services are provided by Q Squared over multiple calendar years, the budget and payment schedule will incorporate the Inflation Factor to Service fees for future year costs at the time the Work Order is executed by both parties, on a prospective basis only, and the Inflation Factor (defined below) shall remain fixed for the duration of the Work Order and subsequent Change Orders to the Work Order. The Inflation Factor shall be calculated using a blend of [***] ("Inflation Factor").

(f) Information Requests. To the extent not publicly available, and upon showing of good cause, at Q Squared's request, Customer shall promptly share financial details (such as audited financials) once per calendar year that demonstrate Customer's continuing ability to meet its payment obligations under this Agreement and associated Work Orders (each, an "Information Request"). Additionally, Customer shall promptly notify Q Squared upon becoming insolvent or commencing bankruptcy proceedings. Any information shared with Q Squared pursuant to an Information Request will be subject to Q Squared's obligations of confidentiality set forth in Section 5(a).

*****Certain Confidential Information Omitted**

3. **Term and Termination.**

(a) This Agreement shall commence on the date it has been signed by all parties (hereinafter "Effective Date") and shall continue for a period of five (5) years from the Effective Date, or until terminated by either party in accordance with this Section 3. The Agreement will automatically renew each year thereafter for a period of one (1) year, unless either party notifies the other party in writing at least thirty (30) days prior to the renewal date that the notifying party is electing not to renew the Agreement. If this Agreement is terminated but a Work Order issued under this Agreement is not terminated, the terms of this Agreement will continue to apply to such Work Order as if the Agreement had not been terminated.

(b) This Agreement or any Work Order may be terminated with or without cause by Customer or by Q Squared at any time during the term of this Agreement on ninety (90) days prior written notice to Q Squared or Customer, as appropriate.

(c) Either party may terminate this Agreement or any Work Order for material breach upon thirty (30) days written notice specifying the nature of the breach, if such breach has not been substantially cured within the thirty (30) day period. In the event that Q Squared determines, in its sole discretion, that its continued performance of the Services contemplated by a Work Order would constitute a potential or actual violation of regulatory or scientific standards of integrity, Q Squared may terminate this Agreement or the applicable Work Order by giving written notice stating the effective date of such termination (which may be less than thirty (30) days from the notice date) of such termination, provided, however, in the event payment obligations are breached, Q Squared may at its discretion upon providing [***] notice thereof, cease extension of credit privileges to Customer, suspend Services (including data transmission) and withhold payment of refunds to Customer until such undisputed amounts are paid.

(d) Either party may terminate this Agreement or any Work Orders immediately upon provision of written notice if the other party becomes insolvent or files for bankruptcy. Any written termination notice shall identify the specific Work Order or Work Orders that are being terminated.

(e) Termination of a Work Order shall constitute a termination of that particular Work Order only and shall not affect this Agreement or any other Work Orders outstanding hereunder. Any written termination notice shall identify each specific Work Order that is being terminated.

(f) In the event this Agreement is terminated, Customer shall pay to Q Squared: (i) any fees for services rendered then due and owing to Q Squared because of any performance of Q Squared's obligations hereunder and all expenses reasonably incurred in performing those Services; (ii) all actual costs (including time spent by Q Squared personnel, which shall be billed at Q Squared standard rates) to complete activities associated with the termination and close out of projects; and (iii) all kit destruction costs as noted in each Work Order. Upon the termination of this Agreement, Q Squared shall either: (i) return to Customer, or (ii) dispose of at the direction and written request of Customer (or as more particularly specified in the Work Order), all data and materials provided by Customer to Q Squared for the conduct of Services under this Agreement.

(g) Termination of this Agreement or any Work Order hereunder shall not constitute a release or waiver of any right or remedy available to either party in connection herewith or therewith.

(h) Defective Services. In the event Q Squared fails to comply with the Work Order specifications and/or this Agreement in its performance of Services and such failure is not a direct result of any material act or omission by Customer or any other third party ("**Defective Services**"), Customer may require Q Squared to re-perform the Defective Services within an agreed time period after receipt of Customer's notice at Q Squared's cost (subject to re-supply by Customer of any materials, data or information at Customer's cost). If no such re-performance is reasonably possible in the context of the Work Order and its schedules and timelines, Q Squared shall reimburse Customer for the reasonable third party costs incurred to remedy such non-compliance or reimburse Customer for the reasonable, out-of-pocket costs incurred to remedy the non-compliance, or only if such remediation is not reasonably possible, refund the portion of the fees paid to Q Squared attributable to the Defective Services, subject in each case to Section 10 below.

4. **Change Orders**. Any material change in the details of the scope of Services set forth in a Work Order or the assumptions upon which the Work Order is based (including, but not limited to, changes in the expected number of investigators, number or schedule of visits, testing requirements, anticipated commencement date, length of project or overall protocol specific database design) may require changes in the Budget and/or time lines, and shall require a written amendment to the Work Order (a "Change Order"). In such event or if the Services are delayed for reasons beyond the control of the parties, the parties will cooperate with each other in good faith in reaching agreement with respect to any corresponding increase or decrease in the scope of the Work Order, Work Order budget, and associated changes in the schedule of payments, timeline and/or schedule or other items associated with the Work Order. All Change Orders will be in writing and signed by duly authorized officers of each of the parties. [***].

5. **Confidentiality**.

(a) It is understood that during the term of this Agreement and each Work Order issued hereunder, Q Squared and its employees may be exposed to data and information that is confidential and proprietary to Customer. All such data and information ("Customer Confidential Information") written or verbal, tangible or intangible, made available, disclosed or otherwise made known to Q Squared and its employees as a result of Services under this Agreement shall be considered confidential and shall be considered the sole property of Customer . All information regarding Q Squared's and its Affiliate's operations, laboratory methods, pricing, and laboratory management and all Q Squared Property (as defined in Section 6 below), disclosed by Q Squared or its Affiliates to Customer or its Affiliates in connection with this Agreement is proprietary, confidential information belonging to Q Squared (the "Q Squared Confidential Information"). Q Squared Confidential Information together with the Customer Confidential Information, shall be the "Confidential Information." The Confidential Information shall be used by the receiving party

*****Certain Confidential Information Omitted**

and its employees only for purposes of performing the receiving party's obligations hereunder. Each party agrees that it will not reveal, publish or otherwise disclose the Confidential Information of the other party to any third party without the prior written consent of the disclosing party, provided, however, that Q Squared may disclose limited Confidential Information as necessary in furtherance of a project hereunder, provided that such third party [***] is not a competitor of Customer and is bound by confidentiality obligations substantially similar to those set forth herein, otherwise such disclosure to a third party requires Customer's written consent. Each party agrees that the terms of this Agreement and any Work Order shall be considered Confidential Information, and each party agrees that it will not disclose the terms of this Agreement or any Work Order to any third party without the written consent of the other party, which shall not unreasonably be withheld. These obligations of confidentiality and nondisclosure shall remain in effect for a period of [***] after the completion or termination of the applicable Work Order. For the avoidance of doubt, the parties agree that the term Confidential Information shall include data and information disclosed in connection with potential services hereunder, even if the parties do not enter into a Work Order for such services, and if no Work Order is executed such data and information shall be subject to this Agreement's confidentiality provisions for a period of [***] from the time of disclosure.

(b) The foregoing obligations shall not apply to Confidential Information to the extent that it: (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving party; (ii) becomes available to the receiving party on a non-confidential basis from a source which is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation to the disclosing party; (iii) was developed independently of any disclosure by the disclosing party or was known to the receiving party prior to its receipt from the disclosing party, as shown by contemporaneous written evidence; or, (iv) is required by law or regulation to be disclosed; provided, however, that each party shall notify the other party in writing prior to making any disclosure pursuant to this subsection "(iv)", including but not limited to disclosures to the Securities Exchange Commission, FDA or any other governmental agency, unless prior notification is precluded by law or regulation or where enforcement action by applicable authority precludes prior notification, in which case the party will notify the other party as soon as reasonably practicable. For the avoidance of doubt, any disclosures made under these subsections "(i)" to "(iv)" shall be strictly limited to the information covered by the applicable subsection, and any Confidential Information not specifically covered by the exceptions in those subsections shall be redacted prior to disclosure of the relevant documents or materials.

6. **Property Ownership**.

(a) All data and information necessary for Q Squared to conduct project assignments will be forwarded by Customer to Q Squared, and all such information received from Customer shall remain the property of Customer.

(b) All data and information generated or derived by Q Squared as the result of services performed by Q Squared under this Agreement and which are provided by Q Squared to Customer as deliverables under this Agreement shall be and remain the property of Customer, excluding Q

Squared Property ("Customer Property"). Any inventions that may evolve from the data and information delivered to Customer as the result of services performed by Q Squared under this Agreement shall belong to Customer, and Q Squared hereby assigns its rights in any inventions and/or related patents to Customer, excluding that which relates to or constitutes Q Squared Property.

(c) Q Squared and its affiliates own all right, title, and interest in and to the data, data models, databases, inventions, processes, know-how, copyrights, trade secrets, laboratory analysis, analytical and laboratory methods, procedures and techniques, technical expertise and conceptual expertise in area of laboratory services, manuals, personnel data, pricing, financial information, technical expertise, software, and other intellectual property rights that (a) exist prior to the Effective Date or (b) are independently developed by or for Q Squared and its affiliates; and any improvements, modifications and enhancements made to the foregoing during the term of this Agreement (collectively, "Q Squared Property"). Q Squared Property shall also include its proprietary systems, platforms and applications ("Q Squared Technology"). If any Q Squared Property is included in any deliverable provided by Q Squared to Customer under this Agreement ("Included Q Squared Property"), Q Squared grants to Customer and/or its Affiliates a non-exclusive, worldwide, royalty free license to use (but not to sell) such Included Q Squared Property, solely to the extent reasonably necessary for Customer to use or otherwise exploit the Customer Property for intended purposes, provided such Included Q Squared Property is licensed to Customer "AS IS" without warranty of any kind, express or implied and that Q Squared has no liability to Customer of any kind, whether direct or indirect, arising out of or in connection with such Included Q Squared Property. No proprietary IQVIA data assets or any Q Squared Technology shall constitute Included Q Squared Property, and Q Squared represents that, to the best of its knowledge, such IQVIA data assets or Q Squared Technology are not necessary for Customer's use of the anticipated deliverables.

(d) At the completion of the services by Q Squared in the applicable Work Order, all data and deliverables generated by Q Squared as a result of the services shall be provided to Customer by electronic means or as more particularly specified in the Work Order, subject to the payment obligations set forth in Section 2 herein; and any materials, equipment or information furnished by Customer for conduct of the services shall either be: (i) returned to Customer, or (ii) disposed of at the direction and written request of Customer (or as more particularly specified in the Work Order). Q Squared, however, reserves the right to retain, at its own cost and subject to the confidentiality provisions herein, one (I) copy of all documents and materials relating to the Services, to be used solely to satisfy regulatory requirements or to resolve disputes regarding the Services. All electronic and paper laboratory data required for internal business records shall be retained by Q Squared according to its Global Records Retention Schedule. At the end of such period(s), Q Squared will destroy all paper laboratory data. Nothing in this Agreement shall be construed to transfer from Customer to Q Squared any FDA or regulatory record-keeping requirements.

7. **Regulatory Compliance; Inspections.**

(a) In carrying out its responsibilities under this Agreement and each Work Order, Q

Squared agrees that its Services will be conducted in compliance with all applicable laws, rules and regulations, including but not limited to the United States Food, Drug and Cosmetic Act and the regulations promulgated pursuant thereto, ICH GCP Guideline, United Kingdom SI 2004 No. 1031 Part 2 (and as amended), where applicable, and with the standard of care customary in the central laboratory industry. Q Squared's standard operating procedures will be used in performance of the Services, unless otherwise specifically stated in the applicable Work Order.

(b) Customer warrants and represents that neither any assignment or task-requested by Customer, nor the conduct thereof, as provided in this Agreement or in any Work Order, shall violate any applicable law or regulation. Customer shall notify Q Squared promptly in writing of any FDA or other governmental inspection or inquiry concerning any services that have been rendered or are being rendered by Q Squared, or any study or Project to which such Services relate.

(c) Q Squared certifies that it has not been debarred under the United States Generic Drug Enforcement Act, or any applicable law in any other country, and that Q Squared will not knowingly employ any person or entity that has been so debarred to perform Services under this Agreement or any Work Order. Q Squared shall promptly notify Customer upon becoming aware of any inquiry concerning, or the commencement of any proceeding or disqualification that is the subject of this Section 7(c).

(d) In accordance with 21 CFR §50.25 and ICH GCP 4.8 (Informed Consent of Trial Subjects), Customer shall be responsible to ensure that all subjects (involved in clinical studies to which the Services of this Agreement and the applicable Work Order shall apply) shall provide a valid consent pertaining to its Services performed hereunder, will understand the nature and purpose of the consent it provides to allow itself to be a participant in the clinical study including the removal and testing of its bodily fluid samples and/or tissue samples as appropriate. Customer shall inform Q Squared immediately, in writing, if any such subject(s) are withdrawn from the clinical study. Q Squared shall promptly communicate to the Customer any serious breaches of the Protocol and Good Clinical Practices, and Customer shall be responsible to promptly report such breaches to the Medicines and Healthcare products Regulatory Agency ("MHRA"), or to the equivalent local regulatory agency.

(e) Each party acknowledges that the other party may respond independently to any regulatory correspondence or inquiry in which such party or its Affiliates is named. Each party, however, shall notify the other party promptly of any FDA or other governmental or regulatory inspection or inquiry concerning any study or Project of Customer for which Q Squared is providing Services. During any such inspection or inquiry, the parties agree to make reasonable efforts to disclose only the information required to be disclosed.

(f) During the term of this Agreement and each Work Order, Q Squared will permit Customer's representative(s) (provided that such representatives shall not be competitors of Q Squared), prior to any audit, Customer shall procure that its non-employee representative enter into a confidentiality agreement with Q Squared on terms at least as stringent as the confidentiality terms herein) to examine or audit the work performed hereunder and the specific facilities at which the work is conducted during regular business hours, upon reasonable advance written notice and

in a reasonable manner to determine that the project assignment is being conducted in accordance with the task in the applicable Work Order and that the facilities are adequate; provided however, that all information disclosed or revealed to or ascertained by Customer in connection with any such audit or examination or in connection with any correspondence between Q Squared and any regulatory authorities (including any notice of violation or potential violation of local law or regulations such as FDA Form 483 notices) shall be deemed to constitute Q Squared Confidential Information for the purposes of this Agreement. Unless the costs of governmental or Customer audits are specifically included in the Budget, and except for [***], Customer shall, upon request, reimburse Q Squared's time and expenses (including reasonable attorney fees and the costs of responding to findings) associated with any inspection, audit or investigations relating to the Services ("Inspection") instigated by Customer or by a governmental authority, unless such Investigation finds that Q Squared breached this Agreement or any applicable law or regulation.

(g) **Anti-Bribery**. Each party undertakes to the other party that: (i) it will not, and will procure that each of its employees, directors, officers, affiliates, subcontractors and agents will not, (1) offer, promise or give an advantage to another person, or (2) request, agree to receive or accept a financial or other advantage in violation of any anticorruption laws, rules, regulations and decrees applicable to the respective party (collectively, "Legislation"), including the United States Foreign Corrupt Practices Act, as amended (the "FCPA"), the United Kingdom Bribery Act 2010 (the "Bribery Act") and any implementing legislation under the OECD Convention Against the Bribery of Foreign Government Officials in International Business Transactions ("OECD Convention"). It is each party's responsibility to be familiar with, and comply with, the provisions of the applicable Legislation; and (ii) from time to time, at the reasonable request of the other party, it will confirm in writing that it has complied with its undertakings under subsection (i) above and will provide any information reasonably requested by the other party in support of such compliance.

8. **Conflict of Agreements**. Q Squared represents to Customer that Q Squared is not a party to any agreement which would prevent Q Squared from fulfilling its obligations under this Agreement, and that during the term of this Agreement, Q Squared will not enter into an agreement to provide services which would prevent Q Squared from providing the Services contemplated to be provided by Q Squared under this Agreement or any Work Order. Customer agrees that it will not enter into an agreement with a third party that would alter or affect the regulatory obligations delegated to Q Squared pursuant to any Work Order without the written consent of Q Squared, which will not be unreasonably withheld.

9. **Indemnification**.

(a) Customer shall defend, indemnify and hold harmless Q Squared, its Affiliates and its and their respective directors, officers, employees and agents (each, an "Q Squared Indemnified Party"), from and against any and all losses, claims, actions, fines damages, liabilities, costs and expenses, (including reasonable attorney's fees and court costs) (collectively, "Losses"), resulting or arising from any third-party claims, actions, proceedings, investigations (including subpoenas

or other legal process) or litigation relating to or arising from or in connection with this Agreement or any Work Order or the Services contemplated herein (including, without limitation, any Losses arising from or in connection with any study, test, device, product or potential product to which this Agreement or any Work Order relates), except to the extent such Losses are determined to have resulted from the gross negligence or intentional misconduct of the Q Squared Indemnified Party seeking indemnity hereunder or material breach by Q Squared of its obligations under this Agreement or a Work Order.

(b) Q Squared shall indemnify, defend and hold harmless Customer and its Affiliates, and its and their directors, officers and employees (each, a "Customer Indemnified Party"), from and against any and all Losses, resulting or arising from any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with this Agreement or any Work Order or the Services contemplated herein, to the extent such Losses are determined to have resulted from the gross negligence or intentional misconduct of a Q Squared Indemnified Party hereunder or material breach by Q Squared of its obligations under this Agreement or a Work Order.

(c) The indemnified party shall: (i) give the indemnifying party prompt notice of any such claim or law suit (including a copy thereof served upon indemnified party); (ii) cooperate with indemnifying party and its legal representatives in the investigation of any matter the subject of indemnification, and (iii) not unreasonably withhold its approval of the settlement of any such claim, liability or action by indemnifying party that is the subject of Section 9(a) or 9(b).

10. **Limitation of Liability.**

(a) Except for either party's indemnification obligations under Section 9, neither Q Squared, nor Customer, nor any of their Affiliates, nor any of their respective directors, officers, employees, subcontractors or agents or representatives, consultants, or shareholders shall have any liability of any type (including, but not limited to, contract, negligence and tort liability) for any loss of profits, opportunities or goodwill, or any type of special, incidental, indirect or consequential damage or loss in connection with or arising out of this Agreement, or any Work Order, or the Services performed by Q Squared hereunder.

(b) Except for either party's indemnification obligations under Section 9, in no event shall the collective, aggregate liability (including without limitation, contract, negligence and tort liability) of Q Squared or its Affiliates, directors, officers, employees, subcontractors or agents under this Agreement exceed the amount of fees actually received by Q Squared from Customer under the applicable Work Order.

11. **Cooperation; Customer Delays; Disclosure of Hazards**. Customer shall forward to Q Squared in a timely manner all documents, materials and information in Customer's possession or control necessary for Q Squared to conduct the Services. Q Squared shall not be liable to Customer nor be deemed to have breached this Agreement for errors, delays or other consequences arising from Customer's failure to timely provide documents, materials or information or to otherwise cooperate with Q Squared in order for Q Squared to timely and properly perform

its obligations, and any such failure by Customer shall automatically extend any timelines affected by a time period reasonably commensurate to take into account such failure, unless Customer agrees to a Change Order to pay any additional costs that would be required to meet the original timeline. If Customer delays a project from its agreed starting date or suspends performance of the project, then the parties will either enter into a Change Order to address : a) Customer payment of the standard daily rate of Q Squared's personnel assigned to the project, based on the percentage of their time allocated to the project, for the period of the delay, in order to keep the current team members; or b) Q Squared may re-allocate the personnel at its discretion. In addition, Customer will also pay all non-cancelable costs and expenses incurred by Q Squared due to the delay and will adjust all timelines to reflect additional time required due to the delay. Customer shall provide Q Squared with all information available to it regarding known or potential hazards associated with the use of any substances supplied to Q Squared by Customer and Customer shall comply with all current legislation and regulations concerning the shipment of substances by land, sea or air. If Customer, or any third party acting on Customer's behalf or at the direction of Customer, delivers, ships, or mails materials or documents to Q Squared, or if Q Squared delivers, ships, or mails materials or documents to Customer or to third parties, then the expense and risk of loss for all such deliveries, shipments, and mailings shall be borne by Customer. Q Squared disclaims any liability for the actions or omissions of third-party delivery services or carriers, including loss or damage occurring during shipment, delivery or mailing.

12. **Publication**. Project results may not be published or referred to, in whole or in part, by Q Squared without the prior express written consent of Customer. Neither party may use the other party's name in connection with any publication or promotion without the other party's prior express written consent.

13. **Independent Contractor Relationship**. Notwithstanding any provision herein to the contrary, the parties hereto are independent contractors, and nothing contained in this Agreement or in any Work Order shall be construed to place them in the relationship of partners, principal and agent, employer and employee, or joint venturers. Each party agrees that it shall have no power or right to bind or obligate the other, and neither party shall hold itself out as having such authority.

14. **Insurance**. Each party to this Agreement is responsible for maintaining, at its own expense and throughout the term of this Agreement, programs of insurance or self-insurance as it deems appropriate and in compliance with statutory requirements to protect its liabilities and contractual obligations; provided, however, failure of either party to have insurance coverage, inability to obtain insurance coverage, or any inadequacy of insurance coverage of such party shall not relieve such party of any part of its liabilities under this Agreement.

15. **Force Majeure and Related Matters**. In the event either party shall be delayed or hindered in or prevented from the performance of any act required hereunder by reasons of strike, lockouts, labor troubles, inability to procure materials or services, failure of power or restrictive government or judicial orders, or decrees, riots, insurrection, acts of terrorism, war, Acts of God, inclement weather or other reason or cause beyond that party's control, then performance of such act (except for the payment of money owed) shall be excused for the period of such delay.

16. **Notices and Deliveries**. Any notice required or permitted to be given hereunder by either party hereunder shall be in writing and shall be deemed given on the date received if delivered personally, or by electronic mail, or by a reputable overnight delivery service, or three (3) days after the date postmarked if sent by regular, registered or certified mail, return receipt requested, postage prepaid to the following addresses:

If to Q Squared Solutions LLC:

Q Squared Solutions LLC
5827 South Miami Boulevard
Morrisville, NC 27560
USA
Attn: Head of Laboratory

If to Customer

Silverback Therapeutics, Inc.
500 Fairview Ave. N, Suite 600
Seattle, WA 98109
USA
Attn: Sue Hamke
[***]

With a copy to:

IQVIA Inc.
Office of the General Counsel
P.O. Box 13979
Research Triangle Park, North Carolina
27709-3979 USA
Attention: General Counsel
[***]

17. **Miscellaneous**.

(a) **Governing Law**. This Agreement and each Work Order shall be construed, governed, interpreted, and applied in accordance with the laws of the State of New York, exclusive of its conflicts of laws provisions. If any one or more provisions of this Agreement or any Work Order are found to be unenforceable on the grounds that they are overly broad or in conflict with applicable laws, it is the intent of the parties that such provisions be replaced, reformed or narrowed so that their original business purpose can be accomplished to the extent permitted by law, and the remaining provisions shall not in any way be affected or impaired thereby.

(b) **Survival**. The rights and obligations of Customer and Q Squared, which by intent or meaning have validity beyond such termination (including, but not limited to, rights with respect to inventions, confidentiality, discoveries and improvements, insurance, data protection, indemnification and liability limitations) shall survive the termination of this Agreement or any Work Order.

(c) **Entire Agreement; Amendments; Counterparts**. This Agreement together with the applicable Work Orders, contains the entire understanding of the parties with respect to the subject matter herein, and supersedes all previous agreements (oral and written), negotiations and discussions. Any modification to the provisions herein must be in writing and signed by the parties.

*****Certain Confidential Information Omitted**

This Agreement may be executed by electronic means (including .PDF) and in any number of counterparts, each of which when executed and delivered, shall constitute an original, but all of which together shall constitute one (1) agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

(d) **Binding Agreements and Assignment**. This Agreement shall be binding upon and inure to the benefit of Customer and Q Squared and their respective successors and permitted assigns. Except as stated in this Section, neither party may assign any of its rights or obligations under this Agreement to any party without the express, written consent of the other party.

(e) **Waiver**. The failure to enforce any right or provision herein shall not constitute a waiver of that right or provision. Any waiver of a breach of a provision shall not constitute a waiver of any subsequent breach of that provision.

(f) **Headings**. The descriptive headings of the sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any provision hereof.

(g) **Incorporation by Reference**. All appendices attached hereto shall be deemed to be incorporated herein. In case of any conflict between this Agreement and any such attachment or any Work Order, the terms of this Agreement shall prevail over the attachment or Work Order.

(h) **Data Protection**. Q Squared and Customer agree to comply with all applicable privacy laws and regulations, and this Agreement. In addition, Q Squared shall at all times abide by its privacy policies and Customer's instructions- when processing personal data under this Agreement. If the services will involve the collection or processing of personal data (as defined by applicable data protection legislation) within the European Union ("EU"), then Customer shall serve as the controller of such data, as defined by the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council on the Protection of individuals with regard to the processing of personal data and on the free movement of such data) ("GDPR"), and Q Squared shall act only under the instructions of the Customer in regard to such personal data. In addition, the parties will execute a Data Processing Agreement prior to any such processing and if Customer is not based in the EU, Customer must appoint a third party to act as its local data protection representative or arrange for a co-controller established in the EU for data protection purposes in order to comply with GDPR as Q Squared does not provide this service.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto through their duly authorized officers and is effective as of the Effective Date.

(signature page follows)

Q Squared Solutions LLC	**Silverback Therapeutics, Inc.**
By: /s/ Dennis Golmitz	By: /s/ Jeffrey C. Pepe
Print Name: Dennis Golmitz	Print Name: Jeffrey C. Pepe
Title: Director, C&P	Title: SVP, General Counsel
Date: May 25, 2020	Date: May 22, 2020

List of Appendices:

Appendix 1: Sample Work Order
Appendix 2: Q Squared Expression Analysis Laboratory Services Terms
Appendix 3: Q Squared BioSciences Laboratory Services and Vaccine Services Terms

Appendix 1: Sample Work Order

WORK ORDER

This Work Order ("Work Order") is between [*insert Customer's full legal name*] having its principal place of business located at [*insert address*] ("Customer") and [*insert Q Squared entity*], with a principal place of business located at the [*insert address*] ("Q Squared") and relates to the Master Laboratory Services Agreement dated _____ (the "Master Agreement"), which is incorporated by reference herein. Pursuant to the Master Agreement, Q Squared has agreed to perform certain services in accordance with written work orders, such as this one, entered into from time-to-time.

The parties hereby agree as follows:

1. Work Order. This document constitutes a Work Order under the Master Agreement and this Work Order and the services contemplated herein are subject to the terms and provisions of the Master Agreement.

2. Budget: Total fees and expenses hereunder not to exceed $— without a Change Order.

3. Services and Payment of Fees and Expenses. The specific services contemplated by this Work Order (the "Services") and the related payment terms and obligations are set forth on the following attachments, which are incorporated herein by reference:

Exhibit A: Central Laboratory Services

Exhibit B: Laboratory Events Schedule

Exhibit C: Laboratory Testing Requirements

Exhibit D: Budget

Exhibit E: Data Processing Information Form

4. Term. The term of this Work Order shall commence on the date of execution and shall continue until the Services described in this Work Order are completed, unless this Work Order is terminated in accordance with the Master Agreement. If the Master Agreement is terminated or expires, but this Work Order is not terminated or completed, then the terms of the Master Agreement shall continue to apply to this Work Order until the Work Order is either terminated or completed.

5. Amendments. No modification, amendment, or waiver of this Work Order shall be effective unless in writing and duly executed and delivered by each party to the other.

ACKNOWLEDGED, ACCEPTED AND AGREED TO:

[insert Q Squared entity]	***Silverback Therapeutics, Inc.***
By: _____	By: _____
(signature)	(signature)
Print Name:	Print Name:
Title:	Title:
Date:	Date:

Appendix 2: Q Squared Expression Analysis Laboratory Services Terms

The following terms shall apply specifically for any services provided by Q Squared Solutions Expression Analysis ("Q Squared Expression Analysis") Services as follows:

(a) Services. Q Squared shall provide genomic, analytical and bioanalytical testing services, as requested by Customer from time to time during the term of the applicable Work Order. Q Squared will use reasonable commercial efforts to perform the Services in accordance with the specifications and timelines set forth in the Work Order.

(b) Q Squared shall make and keep complete systematic records of all Services performed pursuant to a quotation for Services. Q Squared will preserve all such paper records, on- site or at a secure location facility, for two (2) years after Services are completed. A retrieval fee may be imposed if Customer requires retrieval [***] or greater after data generation. Electronic data generated during the course of the study will be retained according to the Quotation or project specific Work Order.

(d) Genomic Specimens: Materials: Quality Control. Each Work Order specifically for Q Squared Expression Analysis will become effective upon Q Squared's receipt of a Purchase Order from Customer or other writing from Customer authorizing Q Squared to proceed with the Services ("Purchase Order"). Q Squared will not be obligated to perform Q Squared Expression Analysis Services until such Purchase Order and a Specimen Submission Form ("SSF") per the instructions in the Work Order is received by Q Squared from Customer. After a Work Order becomes effective, such Work Order shall be governed by and incorporated by reference all of the terms and conditions of this Agreement; any preprinted terms and conditions on a Work Order or Purchase Order shall not apply unless expressly agreed in writing by both parties. In case of any conflict between this Agreement and any such Work Order, Purchase Order or similar writing, the terms of this Agreement shall prevail.

(e) Customer shall use reasonable efforts to provide to Q Squared the number of genomic specimens ("Specimens") and, if applicable, any reagents, microarrays and other materials ("Consumables") in accordance with the timelines and specifications defined for delivery of such Specimens and/or Consumables in the quotation.

(f) Risk of loss of the Specimens and Consumables shall pass to Q Squared upon its receipt of such Specimens and Materials at Q Squared designated place of receipt, (provided such designation is in writing and signed by Q Squared) and its determination that such Specimens are in acceptable condition. If at any time Q Squared becomes aware of any Specimens and/or Materials that do not meet the requirements set forth in the Quotation or fail any portion of the laboratory protocol, Q Squared shall promptly inform Customer's designated project manager via electronic mail. Customer shall then elect to either: (a) replace Specimens and/or Materials that donot meet applicable criteria, or (b) continue with the contracted service without replacing such Specimens and/or Materials, in which case, the Parties shall modify the affected Quotation to reflect the reduced number of Specimens and/or Materials. If Customer elects to proceed with the

contracted services, Customer shall pay Q Squared as mutually agreed for the Services performed of any such Specimens in accordance with the Quotation.

(g) Q Squared's standard quality assurance tests are intended to minimize errors that may occur during the preparation and processing of Specimens. Specimens that yield data outside Q Squared quality metrics due to circumstances beyond the control of Q Squared are not the responsibility of Q Squared. Q Squared does not guarantee results. Customer will be notified promptly if a Specimen does not pass Q Squared's quality metrics and Customer will be responsible for advising Q Squared on whether or not processing should continue. In the event the Customer requests Q Squared to process samples that do not meet quality criteria Customer shall be responsible for any fees, expenses and/or costs incurred or associated with the process of such samples.

(i) Customer is not exempt from charges incurred due to failed experiments through no fault of Q Squared. Any Specimen deemed by Q Squared to be insufficient, invalid, or degraded to the point of being unusable may be returned at Customer request and Q Squared may elect to charge a nominal fee for expenses related to Specimen preparation, quality testing and shipping fees for each returned Specimen. If replacement Specimens are submitted Customer will be responsible for charges incurred in the processing of those replacement Specimens.

(i) In the event a Specimen is caused to be unusable due to a failure of a third party Consumable, Q Squared will make a reasonable effort to obtain a replacement Consumable to re-perform the analysis, but in the event that a replacement cannot be obtained or the analysis cannot be re-performed, Q Squared accepts no responsibility for the Specimen loss or unfinished analysis. Additionally, in the event of subsequent preparation and testing, Q Squared reserves the right to recover appropriate fees and costs, including the cost of additional Consumables for Services provided.

(j) Notices. Any notice required or permitted to be given hereunder shall also be given to:

If to Q Squared Solutions Expression Analysis LLC

Q Squared Solutions Expression Analysis LLC
5927 S. Miami Blvd.
Suite 100
Morrisville, NC 27560, USA
Attn: Head of Laboratory

(l) Customer retains all rights and title in and to Customer Specimens. Any and all Specimens supplied to Q Squared that are not utilized in the performance of the Services will, at Customer's request, be returned, destroyed or stored. Specimens that are returned or stored on Customer's behalf will incur a fee as outlined in the Quotation.

(m) Each party acknowledges that the other party may respond independently to any

regulatory correspondence or inquiry in which such party or its affiliates is named. Each party, however, shall notify the other party promptly of any FDA or other governmental or regulatory inspection or inquiry concerning any study or Project of Customer for which Q Squared is providing Services. During any such inspection or inquiry, the parties agree to make reasonable efforts to disclose only the information required to be disclosed.

(n) Limited Warranty.

(i) Other than as expressly set forth in this Agreement and attachments hereto, Q Squared makes no representations, warranties or guarantees regarding the deliverables supplied by Q Squared to Customer, or the use of, or the results of the use of such deliverables, or the performance of the Services. Q SQUARED AND ITS AFFILIATES DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.

(ii) Customer's exclusive remedy under Q Squared's warranty is, at Q Squared's sole option, a credit for or re-performance of the Services in question.

Appendix 3: Q Squared BioSciences Laboratory Services and Vaccine Services Terms

The following terms shall apply specifically for any Q Squared Biosciences Laboratory Services and/or Vaccine Services as follows:

(a) In the event it is necessary for Q Squared to assess and correct an immediate problem in connection with the Study, and after reasonable efforts Q Squared is unable to contact Customer to notify Customer of such problem, Q Squared may proceed accordingly and use reasonable emergency measures in order to correct such problem for the purpose of maintaining the integrity of the Study. Q Squared shall be entitled to recover any additional reasonable costs associated with such corrective emergency measures; provided, however, Q Squared agrees to promptly notify Customer of such emergency measures and use its reasonable best efforts to minimize any additional costs to Customer for such emergency corrective measures.

(b) Test Materials. (i) Test materials supplied to Q Squared by Customer for bioanalytical and biosciences services hereunder ("Test Biosciences Materials") will be used by Q Squared solely for performance of authorized Studies. Q Squared shall be strictly prohibited from conducting any structural analysis, modification or reverse engineering of the Test Biosciences Materials, unless specifically requested by Customer in writing. Test Biosciences Materials transferred to Q Squared shall remain the property of Customer. (ii) Upon the written request of Customer, any remaining samples of the Test Biosciences Materials will be returned to Customer at Customer's expense. (iii) Customer shall provide Q Squared with all information available to it regarding known or potential hazards associated with the use of any substances supplied to Q Squared by Customer and Customer shall comply with all current legislation and regulations concerning the shipment of substances by land, sea or air.

(c) For all Studies conducted under this Agreement, Q Squared will comply with all applicable laws, rules, regulations and guidelines, including but not limited to Good Laboratory Practices set forth by the U.S. Food and Drug Administration ("FDA"), Good Clinical Practices, ICH GCP Guideline, Organisation for Economic Co-operation and Development ("OECD"), and Ministry of Health, Labour and Welfare ("MHLW"), and any other applicable laws, rules, regulations and guidelines relating to the provision of Services, as stipulated in each applicable Protocol under this Agreement, and with the standard of care customary in the bioanalytical laboratory industry. Q Squared will perform this Agreement in accordance with professional and ethical practices and industry standards and the employees it will provide or obtain for the provision of the Services will act with professionalism, competence and diligence. Q Squared's standard operating procedures will be used in performance of the Services.

(d) Reporting. (i) Q Squared will maintain accurate and complete records in accordance with all applicable Good Laboratory Practices, and if applicable Good Clinical Practices, and Q Squared will comply with all reporting requirements contained in each Protocol. Q Squared will keep Customer informed of the progress of Studies and will submit progress reports as specified in the Protocols. (ii) Q Squared shall also provide Customer with a draft final and a final report for each Study either using Q Squared's report format or Customer's report format. If

Customer requests the Customer format to be used, Customer must notify Q Squared prior to the analysis of study samples for a given study. If any changes to the draft report or final report format has to be subsequently made due to the request of the Customer, or if additional copies of the final report are requested by Customer, then at Q Squared's option there may be an additional charge to Customer for preparation, handling and dispatch of such reports. If such changes will be expected to affect the timing of the delivery of the final report(s), then Q Squared shall submit amended delivery dates for Customer's written approval. (iii) All reports submitted to Customer and all data generated hereunder shall become the property of Customer and may be used by Customer for any purpose without further obligation or liability to Q Squared.

(e) All materials and documentation will be retained by Q Squared for a period of three (3) years ("Retention Period") following issuance of the Final Report. During the Retention Period, the materials and documentation shall be made available for inspection by Customer or any authorized agent designated by Customer. Q Squared may charge Customer a reasonable fee for storage of records after three (3) years.

(f) Unless otherwise required by law, Q Squared shall not permit any inspections involving any Studies or the Confidential Information (as defined in the Agreement), until further instructions are received from Customer or until Customer and the inspecting agency have reached an appropriate agreement. Unless otherwise required by law and subject to confidentiality obligations within the Agreement, no copies of Protocols or other Confidential Information maybe given by Q Squared to the Inspector. Any request for such information shall be redirected to Customer.

(g) Q Squared does not warrant or represent that the results of the Study will be acceptable to any regulatory or governmental agency to which they are presented nor that the results of the Study will enable Customer to market or otherwise exploit the Test Materials, or any product or Service. Customer acknowledges that it is responsible for assessing and evaluating the reports, data, results, conclusions and other Work Product provided to Customer by Q Squared ("Results"), and the suitability of the Results for Customer's purposes. Q Squared shall have no responsibility for the manner in which Customer uses the Results, and Customer's acceptance, reliance on, or use of such results shall be at the sole risk of Customer. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 2.(4)(g), Q SQUARED MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THIS AGREEMENT AND THE APPLICABLE WORK ORDER, THE SERVICES OR ANY STUDIES. Q SQUARED EXPRESSLY DISCLAIMS THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Q SQUARED MAKES NO REPRESENTATIONS OR WARRANTIES OF NON-INFRINGEMENT WITH RESPECT TO ANY PATENT, TRADEMARK, TRADE SECRET, KNOW-HOW, TANGIBLE RESEARCH PROPERTY. INFORMATION OR DATA PROVIDED TO CUSTOMER HEREUNDER, AND HEREBY DISCLAIMS THE SAME.

(h) Duplicate Study Samples. Customer agrees to retain duplicate study samples should the need for repeat analytical analysis be required and the original samples are unfit or unavailable for reanalysis.

(i) In addition to the indemnity provisions within the Agreement, Customer undertakes to defend, indemnify and hold harmless Q Squared and its affiliates, and its and their directors, officers, employees and agents (each, a "Q Squared Indemnified Party"), from and against any and all claims, losses, damages, liabilities, fines, reasonable attorney fees, court costs, and expenses joint or several, resulting or arising from any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with (a) Customer's use of the Results, and (b) any actual or alleged infringement of any patent or copyright, or wrongful use of proprietary information, arising from Q Squared's use of the Test Biosciences Materials as contemplated by this Agreement and/or the Work Order.

(j) All materials and documentation will be retained by Q Squared for a period of three (3) years ("Retention Period") following issuance of the Final Report. During the Retention Period, the materials and documentation shall be made available for inspection by the Customer or any authorized agent designated by the Customer. Q Squared may charge Customer a reasonable fee for storage of records after three (3) years.

(k) In the event Customer requests Q Squared to return any samples or Test Biosciences Materials to Customer or to a third party, Customer shall pay all associated courier/shipping charges incurred to return such sample and/or Test Biosciences Materials. If Customer requires Q Squared to use a specific courier for such return and/or to bill the courier directly on its behalf Customer shall promptly provide in writing to Q Squared the courier account number and shall promptly pay any such costs in accordance with the payment terms in the Agreement and/or the Work Order.

(l) In the event Customer requests (provided such request is in writing or by email) Q Squared to store, destroy or dispose of any Test Biosciences Materials or samples supplied by Customer or used during the Study in any Work Order, and Q Squared agrees in writing, Q Squared shall store, destroy or dispose of any Test Biosciences Materials or samples at Customer's option at a fee to be determined in the applicable Work Order. Notwithstanding the above, storage fees shall be at least [***] per sample, or Test Biosciences Materials, per month. At Q Squared sole discretion it may provide discounts on storage of [***] samples at any one time or committed long-term storage. For the avoidance of doubt, if Customer fails to inform Q Squared of its decision to store, destroy or dispose of any sample and/or Test Biosciences Materials within [***] Customer shall be charged the storage fees detailed in this Section 2.(4)(1) for any such sample and/or Test Biosciences Materials and in accordance with the payment terms in the Agreement and/or the Work Order.

(m) Upon written request of Customer, Q Squared shall remit to Customer all work products in its possession or under its control, except that Q Squared may retain any work products which Q Squared is required to retain by applicable laws and archival copies of work product for its own records. Furthermore, subsequent to any retention period, Q Squared shall contact

Customer to determine disposition of the records (return or extended storage) and upon Customer's decision, disposition will be taken by Q Squared and charged to Customer, at the rates in effect at that time.

(n) Customer agrees that it will not enter into an agreement with a third party that would alter or affect the regulatory obligations delegated to Q Squared in any Study or project without the written consent of Q Squared, which will not be unreasonably withheld.

(o) Indemnification and Limitation of Liability. Customer acknowledges that Q Squared has not participated in the manufacture of any Test Biosciences Materials supplied by Customer and it acknowledges that Q Squared's sole mandate is to perform each Study in accordance with the terms of the Work Order for bioanalytical and bioscience services and the applicable Protocol.

(p) Q Squared retains the right to use any general assay technique utilized on Customer projects as Q Squared's own, royalty free.

(q) Notices. Any notice required or permitted to be given hereunder shall also be given to:

If to Q Squared Solutions Biosciences LLC:
Q Squared Solutions BioSciences LLC
19 Brown Road
Ithaca, NY 14850
USA

Attn: Head of Laboratory

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

CE3, Inc. Silverback Therapeutics

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT is made and entered into as of January 21, 2020 (the "**Effective Date**") by and between **CE3 INC.** having a principal place of business at 246 Goose Lane, Suite 202, Guilford, CT, USA ("**CE3**") and **Silverback Therapeutics, Inc.**, having a principal place of business at 500 Fairview Ave N, #600, Seattle WA 98109 ("**Sponsor**"). The term "CE3" includes CE3, Inc., its affiliates, and authorized agents. The term "Sponsor" includes **Silverback Therapeutics, Inc.** and its authorized agents.

The parties hereby agree as follows:

1. SERVICES

1.1 CE3 will perform for Sponsor from time to time as mutually agreed upon by the parties in Project Specification Orders ("PSO"), certain research and/or administrative services in connection with clinical trials sponsored by Sponsor ("Study" or "Studies") and general clinical research activities including, without limitation, trial management, site identification and selection, site monitoring/management, project management, data collection, statistical programming or analysis, quality assurance auditing, scientific and medical communications, regulatory affairs consulting and submissions, strategic consulting and/or other related services ("Services").

1.2 Each PSO will set forth the terms and conditions of the particular Services, including a description of the specific work to be performed, target completion dates, a budget and schedule of payments ("Project"), and will be separately executed by authorized representatives of CE3 and Sponsor. A sample PSO is attached hereto as Exhibit A. In the event there is any material change in the scope of Services set forth in a PSO, or if the Project is delayed for reasons beyond the control of the parties, the parties will agree in writing to such changes and shall cooperate with each other in good faith in reaching agreement with respect to any corresponding increase or decrease in the PSO budget, and associated changes in the schedule of payments, Project schedule or other items associated with the PSO. All such changes will be documented in a Change Order, or series of Change Orders, to be numbered sequentially and each of which must be signed by duly authorized officers of both parties.

1.3 No Services pursuant to this Agreement will commence until a PSO has been executed by both of the parties, or otherwise agreed to in writing. The terms of this Agreement will be made a part of and incorporated by reference into each PSO and each PSO is hereby made a part of and incorporated into this Agreement. In the event of a conflict between the terms of this Agreement and a PSO, the terms of this Agreement will govern, unless otherwise specifically agreed in the applicable PSO.

1.4 Each PSO will, to the extent necessary, contain a statement of transfer of Sponsor obligations pursuant to 21 CFR 312.52. CE3 will use reasonable commercial efforts to perform all transferred obligations.

1.5 In the event CE3 is required pursuant to a PSO to conduct or monitor a Study, CE3 will obtain any necessary prior approval and ongoing review as required by:

1.5.1 any appropriate and necessary review authorities, including without limitation, any applicable institutional review board that is properly constituted in accordance with applicable national, state and local laws and standards to act as a human subjects research review board ("IRB"); and

1.5.2 all international, national, state and local laws and regulations.

1.6 CE3 will collect documentation of training provided to investigators conducting studies on behalf of Sponsor (the "Investigators") related to each Investigator's performance of services and transferred obligations in conformance with Study protocols and with generally accepted standards of good clinical practice according to current Good Clinical Practices, ICH Guidelines, and all other laws, rules, regulations or guidelines applicable to the performance of services. CE3 is not responsible for Investigator negligence or willful misconduct.

1.7 Subject to any contrary requirements in section 1.6 above, CE3 will use reasonable commercial efforts to perform all Services and transferred obligations in accordance with the specifications and timelines set forth in PSOs, or in Project plans, templates and requirements documents referenced in PSOs, or in any modifications thereto or reasonable additional requirements of which Sponsor may notify CE3.

1.8 Subject to the requirements of sections 1.6, and 1.7 above, and unless otherwise stipulated in the applicable PSO, CE3 will provide Services in conformance with CE3's Standard Operating Procedures and with the Study protocol, all relevant regulations and rules of the FDA or other governmental requirements, and with current good clinical practice.

1.9 CE3 agrees to provide all reasonable personnel, facilities, and resources, as required, to accomplish its responsibilities under any PSO. Sponsor may provide equipment to CE3, as more fully specified in the applicable PSO, including without limitation computer equipment and/or one or more software programs, for use in connection with a Study or Project ("Equipment"). Upon completion or termination of any PSO (except to the extent otherwise authorized by Sponsor in writing), or upon written request of Sponsor, the Equipment, all associated peripheral equipment (including CDs and other storage media), and all software and data will be promptly returned to Sponsor, at Sponsor's expense. No duplicates of any software provided to CE3 may be retained by CE3.

1.10 CE3 will not modify or alter a Study protocol without the specific written authorization and approval of Sponsor or its designee. In the event CE3 is required pursuant to a PSO to perform and/or monitor a Study, CE3 will instruct Investigators and Study sites that Study protocols may not be modified or altered without the specific written authorization and approval of Sponsor or its designee, will monitor to verify that such Investigators and Study sites do not so modify or alter the protocols, and will report immediately to Sponsor any such modification or alteration by Investigators and Study sites. **PROVIDED HOWEVER, IN THE EVENT CE3 FINDS IT NECESSARY TO MAKE CHANGES TO THE STUDY PROTOCOL TO PROTECT AGAINST AN IMMEDIATE THREAT TO SAFETY OR HEALTH OF THE PATIENTS/VOLUNTEERS, CE3 MAY DO SO AND SHALL REPORT IMMEDIATELY TO SPONSOR ANY SUCH MODIFICATION OR ALTERATION AND THE REASON(S) FOR MAKING SUCH MODIFICATION OR ALTERATION.**

1.11 Materials and Study Drug. Study drug and other materials provided to CE3 by or on behalf of Sponsor for the conduct of a Project shall only be used in the conduct of the Project in accordance with the Study protocol and any unused study drug or materials shall, upon termination of a PSO and at Sponsor's sole cost and expense, be returned to Sponsor or, at Sponsor's direction, destroyed.

1.12 Clinical Trial Agreement and Informed Consent. CE3 agrees to use a standard form of Clinical Trial Agreements and Informed Consents approved by Sponsor in contracting with clinical sites and investigators to conduct each Project; provided that Sponsor and CE3 shall establish reasonable negotiation parameters which shall be used to support any negotiation thereof. All material changes in the Clinical Trial Agreements and Informed Consents which fall outside of such negotiation parameters must be prior approved by Sponsor.

2. COMPENSATION & PAYMENT

2.1 Compensation. For performance of Services, Sponsor will pay CE3 fees ("Service Fees"), and will reimburse CE3 for reasonable and customary expenses, in the amounts and upon the terms set forth in the applicable PSO. Any change in the Service Fees or expenses set forth in a PSO will approved in writing by the Sponsor and will require the execution of a change order or amendment in accordance with the terms of this Agreement.

2.2 Payment Terms. Sponsor will pay CE3 Service Fees and expenses authorized by PSOs within [***] of receipt by Sponsor of a correct and undisputed invoice from CE3. Upon request from Sponsor and/or in accordance with Section 12 of this Agreement, CE3 will make copies of receipts for expenses, or other documentation required by Sponsor available for review. If CE3 incurs Service Fees and allowable expenses in any tradable currency other than U.S. dollars, CE3 will translate the foreign currency into U.S. dollars using the foreign exchange rate as published by The Wall Street Journal on the date of the invoice. All payments will be made by Sponsor in U.S. dollars.

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2.3 Start-Up Payment. Pursuant to a PSO and subject to section 8.4 of this Agreement, Sponsor may provide a start-up payment to CE3, which is required to initiate the Study ("Start-up Payment") provided that such provision for Start-up Payment is specified in the applicable PSO.

2.4 Delays/Study Holds. In the event of any delay or Study hold by Sponsor (other than a Force Majeure event, as defined in section 14.7 herein), CE3 shall use commercially reasonable efforts to reassign to another project personnel or contractors who were assigned to perform the Services hereunder. A delay of the Study may include, but is not limited to, delay in the provision of client materials or information, or delay in approval of documentation. In the event that such personnel or contractors cannot be reassigned to another project, Sponsor may elect to continue to pay all costs attributable to maintaining the availability of such personnel or contractors for the applicable PSO, or such personnel or contractors may be terminated. If such personnel or contractors are reassigned or terminated, CE3 cannot guarantee availability of such personnel or contractors for performance of the Services hereunder upon lifting of the delay or Study hold.

3. CONFIDENTIALITY

The terms of the Mutual Confidentiality Agreement by and between the parties dated as of **September 18, 2019** shall govern this Agreement with respect to Confidential Information, as defined in such Mutual Confidentiality Agreement, and such terms are incorporated by reference herein.

4. PERSONAL AND PROTECTED HEALTH INFORMATION

Performance under this Agreement and/or each specific PSO may involve the exchange of certain information about individual persons including, without limitation, individually identifiable health information, employment information, insurance information, and family information (collectively, "Personal and Protected Health Information"). Personal and Protected Health Information shall be transmitted, handled, stored, maintained, used, and destroyed in a manner that will preserve its confidentiality. The parties will not use or disclose Personal and Protected Health Information received pursuant to this Agreement and/or to any PSO for any purpose other than the performance of the Services under this Agreement and/or any PSO. The obligations and restrictions set forth in this Section will survive the termination or expiration of this Agreement and/or of any PSO.

5. HANDLING & STORAGE OF DOCUMENTATION

5.1 CE3 will take responsibility for the management and custody of all Materials and documentation related to a Study or Project undertaken pursuant to a PSO ("Documentation"), so as to avoid loss, theft, or unauthorized disclosure thereof. All documentation is Confidential Information and/or Personal and Protected Health Information subject to the terms and conditions of section 3 and (to the extent applicable) section 4 of this Agreement. CE3 will not disclose or transfer Documentation, or cause Documentation to be disclosed or transferred, to a third party without the prior written approval of Sponsor including, without limitation, data or clinical specimens collected by CE3 in the course of performing Services.

5.2 CE3 will retain and, when required pursuant to a PSO to perform and/or monitor a Study, will instruct Investigators and/or Study sites to retain the Documentation, related to a Study drug for which an IND has been filed, in conformance with applicable national and international regulations, but for no less than a period of up to [***] after regulatory approval of the marketing application for the indication for which the Study drug was tested pursuant to any PSO, or if the application is not approved or Sponsor withdraws the application, for up to [***] after such non-approval or withdrawal, unless CE3 and Sponsor mutually agree to return the Documentation to Sponsor at the completion of a Project pursuant to the terms defined in a PSO (the "Retention Period"). During the Retention Period, CE3 will make available and, when required pursuant to a PSO to perform and/or monitor a Study, will instruct Investigators and/or Study sites to make available the Documentation for inspection or copying by Sponsor or any authorized agent designated by Sponsor upon request.

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5.3 After the Retention Period, CE3 will contact Sponsor to determine the disposition of the Documentation (disposal charges at Sponsor's expense). Sponsor's choice of disposition of the Documentation will be in writing. CE3 will not discard or destroy any Documentation without first receiving Sponsor's written consent to do so.

6. INTELLECTUAL PROPERTY

6.1 Inventions. The investigational drug that is the subject of a Study (the "Study Drug") is the sole property of Sponsor. CE3 acknowledges and agrees that neither it nor its employees or agents will acquire rights of any kind whatsoever with respect to the Study Drug, including, but not limited to, methods of manufacturing the Study Drug, methods of using the Study Drug, data or information relating to FDA approval and labeling of the Study Drug. CE3 will disclose exclusively to Sponsor and to no others, any and all inventions, ideas, discoveries, copyrights or work product and all know-how related to a Study Drug, including without limitation those which constitute a modification, improvement, or new use thereof, which CE3 makes or conceives of and/or reduces to practice during the course of or as a result of performing Services hereunder ("Inventions"). CE3 hereby assigns all right, title and interest in and to such Inventions to Sponsor or its nominee and will, at Sponsor's expense, conduct all activities reasonably requested by Sponsor to further effectuate or evidence such assignment.

6.2 Patents. CE3 acknowledges that Sponsor has the exclusive right to file patent applications in connection with Inventions. CE3 will not prevent Sponsor in any way from filing patent applications, and that the prosecution and conduct of any patent application filed by Sponsor will be under the exclusive control of Sponsor. CE3 further agrees to use reasonable efforts to assist Sponsor, at Sponsor's cost and expense, to file, prosecute, and maintain patent applications, and to enforce any resulting patent, on such Inventions in the name of Sponsor or its nominee, and to execute and have executed any papers that Sponsor may consider necessary or helpful in such prosecution, or which may relate to any litigation or interference and/or controversy in connection therewith.

6.3 Ownership of Work Product. All reports, data, documents, protocols, specimens, clinical supplies, worksheets, technical information, product plans, regulatory plans, original works of authorship and all materials or documents created by CE3 related to any PSO ("Work Product") will be reported to Sponsor and are its exclusive property. Sponsor will have the unrestricted right to use such Work Product consistent with applicable law. For the avoidance of doubt, such Work Product shall also be deemed to be the Confidential Information of Sponsor. When appropriate, Sponsor will obtain and maintain all appropriate third party software and hardware licenses necessary to use CE3 Work Product.

6.4 CE3 Property. Section 6.3 notwithstanding, Sponsor acknowledges that CE3 has proprietary systems, processes, tools, and other material ("Tools") necessary to properly conduct clinical trials, consulting, and other related services. These Tools and any modification, improvement, or new use thereof are the exclusive property of CE3.

6.5 Trade Secrets. In the performance of Services under this Agreement or any PSO, neither party will disclose to nor use for the benefit of the other, any trade secrets of a third party without first obtaining the right to do so.

6.6 Right of Reference. Pursuant to 21 U.S.C. Section 355 (b), CE3 hereby grants to Sponsor, and Sponsor hereby retains, the exclusive right of reference to and use of any clinical investigation, including data or results therefrom, in support of new drug applications submitted by or on behalf of Sponsor to the United States Food and Drug Administration ("FDA"). Further, it is Sponsor's exclusive right to grant third parties authorization to reference or use any clinical investigation, including data or results therefrom.

7. PUBLICATIONS

CE3 will obtain the express written consent of Sponsor prior to any publication or presentation of results generated pursuant to any PSO hereunder including, without limitation, articles or reports.

8. **TERM OF AGREEMENT**

8.1 Term. Subject to section 8.2. below, this Agreement will have a term of five (5) years from the Effective Date unless extended by mutual agreement of the parties in accordance with the terms of this Agreement.

8.2 Termination.

8.2.1 Either party may terminate this Agreement or any PSO at any time upon 30 days prior written notice to the other party. Notwithstanding the foregoing, should any PSOs entered into during the period of this Agreement require CE3 to provide Services beyond the date on which this Agreement is terminated pursuant to the terms of this paragraph 8.2.1, then the terms of this Agreement will remain in effect with respect to such PSOs, until the termination date set forth in such PSO or its earlier termination pursuant to this paragraph.

8.2.2 Either party may terminate this Agreement if the other party commits a material breach of this Agreement that remains uncured for at least sixty (60) calendar days after written notice of the breach by non-breaching party. In the event CE3 is in default of any material obligation set forth in this Agreement or any PSO, which is not cured within a mutually agreed upon timeframe after receipt of written notice from Sponsor, Sponsor may, at its election, request that CE3 (i) repeat the related Services at CE3's cost, or (ii) refund to Sponsor within sixty (60) days, amounts paid by Sponsor to CE3 for related Services; provided that such default was solely the result of CE3's gross negligence.

8.2.3 Sponsor may terminate PSO, in whole or in part, immediately upon written notice to CE3 if either CE3 or Sponsor is unable to obtain the ongoing review and/or approvals in connection with a Study consistent with those set forth in section 1.5 of this Agreement.

8.2.4 Sponsor or CE3 may terminate this Agreement or any PSO immediately and without notice if the other party becomes insolvent or bankrupt.

8.3 Transition Upon Termination.

8.3.1 Transfer of Work Product, Equipment and Documentation. Upon the termination of this Agreement or any PSO, Sponsor will have the right to assume full control of all Studies and Projects subject to the termination. In such event, CE3 will promptly submit to Sponsor all Work Product, Equipment, and Documentation in CE3's possession at the time of such termination or subject to its oversight responsibility pursuant to applicable PSOs.

8.3.2 Phase Down Plan. Upon the termination of this Agreement or any PSO, CE3 will proceed in an orderly fashion to terminate any outstanding commitments and to phase-down the work associated with the Services as soon as practicable, in accordance with a plan mutually agreed upon by Sponsor and CE3 (the "Phase Down Plan").

8.4 Payments Due Upon Termination.

8.4.1 Upon the termination of this Agreement and/or any PSO (excluding CE3's termination for convenience), and in accordance with the applicable Phase-Down Plan, Sponsor will pay CE3 for all reimbursables expenses incurred (which may include non-cancelable obligations committed before receipt of notice of termination) and Services provided through the date of notice of termination (as well as Services completed as part of the Phase Down Plan) based upon the progress of the work performed and to the extent that such expenses and Services are authorized pursuant to the PSO(s) that is(are) subject to the termination hereunder.

8.4.2 If, upon termination of this Agreement and/or any PSO, Sponsor has made prior payments to CE3 that exceed the amount owing to CE3 pursuant to any PSO that is subject to such termination, CE3 will refund the difference to Sponsor.

8.4.3 Any payment or refund hereunder will be made within sixty (60) days after the date of termination unless otherwise agreed upon by the parties in the applicable Phase-Down Plan or other writing.

8.5 Survival of Legal Remedies. Nothing in this section 8 will limit the legal remedies of either party in the event that termination hereunder results from a breach of this Agreement by the other party.

9. REPRESENTATION AND WARRANTY

9.1 Authorization. Each party represents and warrants that it has the right to enter into this Agreement with the other party. CE3 further represents and warrants that it is not a party to any agreement or under any condition which would prevent it from fulfilling its obligations under this Agreement and that during the term of this Agreement, it will not enter into any agreement and/or arrangement which would in any way prevent it from providing Services pursuant to this Agreement or any PSO hereunder.

9.2 Compliance with Laws. Each party shall comply with all laws and regulations applicable to the Services, Study Drug and the Study, including, but not limited to, the applicable relations of the FDA, Good Clinical Practices, ICH Guidelines, and all other laws, rules, regulations or guidelines applicable to the performance of the Study and manufacture of the Study Drug, as well as the prohibitions on kickbacks and referrals of the Social Security Act applicable to Medicare, Medicaid and certain other government healthcare programs, the False Claims Act and equivalent state laws.

9.3 Debarment. CE3 warrants and certifies that all CE3 personnel performing Services under this Agreement are not debarred under the Federal Food, Drug and Cosmetic Act, 21 U.S.C. 335(a) and (b) or any equivalent law or regulation of any other applicable jurisdiction. Further, CE3 will not employ any person to perform Services under this Agreement if such person is debarred by such law or the FDA. CE3 agrees to immediately disclose in writing to Sponsor if any CE3 personnel performing services under this Agreement is debarred, or if any action or investigation is pending or, to the best of CE3's knowledge, threatened, relating to the debarment of CE3 personnel performing Services related to this Agreement.

10. INDEMNIFICATION

10.1 Sponsor will indemnify, defend and hold harmless CE3, and its directors, officers, employees, representatives, associates, consultants, subcontractors and agents ("CE3 Indemnities") against and from any liability, damage, loss, or expense (including, without limitation, reasonable attorney's fees and expenses of litigation) (collectively, "Loss") incurred by or imposed upon CE3 in connection with any Study related third party claims, suits, actions, demands or judgments (collectively, "Claim"). CE3 agrees to immediately notify Sponsor of any such Claim. Such notice will set forth all information known to CE3 relating to the Claim and will be sent pursuant to the terms of this Agreement. The failure to so notify the Sponsor shall not relieve the Sponsor of its obligations hereunder, except to the extent such failure shall have adversely prejudiced the Sponsor.

10.2 Sponsor's obligation to indemnify CE3 will not apply to any Claim or Loss that arises to the extent arising from any willful misconduct, negligent act or omission of CE3, including without limitation failure of CE3 comply with Sponsor's written instructions (provided such instructions comply with all relevant regulations and with generally accepted standards of good clinical practice according to current Good Clinical Practices) or the Study protocol, or failure by CE3 to comply with relevant regulations and rules of the FDA or other governmental requirements, or failure to comply with current good clinical practice.

10.3 Sponsor will have the right to fully control the defense of any Claim to which its indemnity obligation hereunder applies, including but not limited to the selection of counsel, compromise and settlement and proceedings. Sponsor will not be liable for any Claim where a compromise or settlement was made by CE3 without Sponsor's prior written approval.

10.4 CE3 will cooperate fully with Sponsor in the defense and proceedings of any Claim, attend hearings and trials and assist in securing and giving evidence and testimony, and obtaining the attendance of necessary and proper witnesses at such hearing and trials at Sponsor's expense.

10.5 CE3 agrees to indemnify and hold harmless Sponsor, and its directors, officers, employees, representatives, associates, consultants, subcontractors and agents ("Sponsor Indemnitees") against and from any third- party Claim resulting from work performed by CE3 in accordance with a PSO to the extent such Claim arises solely and directly out of (i) the negligence or willful misconduct of CE3, including without limitation failure of CE3 to comply with Sponsor's written instructions (provided such instructions comply with all relevant regulations and with generally accepted standards of good clinical practice according to current Good Clinical Practices) or the Study protocol, (ii) any material breach of this Agreement by CE3, and (iii) CE3's failure to comply with relevant regulations and rules of the FDA or other governmental requirements, or failure to comply with current good clinical practice, including, without limitation, amounts paid in settlement of such Claims, and agrees to bear all costs and expenses (including, without limitation, reasonable attorney's fees), incurred in connection with the defense or settlement of any such Claim as such costs and expenses are incurred in advance of judgment.

10.6 CE3's obligation to indemnify Sponsor will not apply to any Claim or Loss that arises from:

10.6.1 any willful misconduct, malpractice, negligent act or omission of Sponsor; or

10.6.2 any injury caused by Sponsor's Study Drug(s) and/or devices, or Study procedures in connection with a PSO; or

10.6.3 a failure by Sponsor to comply with all relevant regulations and rules of the FDA or other governmental requirements, or failure to comply with current good clinical practice; or

10.6.4 negligence or willful misconduct by clinical study investigators.

10.7 EXCEPT AS SET FORTH IN THIS SECTION 10, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES. FURTHER, ANY STUDY COMPOUNDS PROVIDED TO OR ON BEHALF OF SPONSOR ARE EXPERIMENTAL AND ARE PROVIDED WITHOUT WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, TITLE, USAGE OF TRADE OR COURSE OF DEALING OR FITNESS FOR A PARTICULAR PURPOSE.

11. LIABILITY INSURANCE

11.1 During the term of this Agreement, each party shall, at its sole cost and expense, maintain such policies of comprehensive general and professional liability insurance and other insurance as shall be adequate to insure against any Claim(s) for damages arising in connection with the performance hereunder.

11.2 Either party shall, at the other party's request, have its insurance carrier for such insurance furnish a certificate that such insurance is in force, such certificate to indicate any deductible and/or self-insured retention and stipulate that such insurance will not be canceled while this Agreement is in effect without at least [***] prior written notice to the other party.

12. SPONSOR'S RIGHT TO AUDIT

12.1 Audits. [***], Sponsor or its designee(s) will have the right during CE3's normal business hours, without incurring any additional responsibilities under this Agreement, to audit, upon reasonable notice, CE3's facilities, records and documentation (including, without limitation, Study and/or Project records, Investigator and/or Study site files, systems, operations, and standard operating procedures) related to CE3's performance under this Agreement or PSOs. Sponsor or its designee(s) may conduct such audits during the term of this Agreement and for a period of up to [***] after completion of related Services.

12.2 Audit Findings & Follow-up. If Sponsor identifies any failure of CE3 in its performance of the Services in accordance with the applicable PSO, Sponsor will provide CE3 with written documentation of its findings

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in connection with any such audit within [***] of the date on which the audit was completed. In the event that any such report includes findings alleging substantial deficiencies related to quality assurance, CE3 will develop an action plan, subject to Sponsor's review and approval, to address all deficiencies at CE3's expense (the "Action Plan"), unless CE3 may dispute in good faith the audit findings and elect, within [***] after such delivery, to hire a third party auditor ("the "Auditor") to review the audit results. In such event, CE3 and Sponsor will select an Auditor for such purpose only upon written approval of both parties, and will equally divide the costs incurred in connection with the Auditor's review; provided, however, that if the Auditor determines that CE3 had no reasonable basis for disputing Sponsor's audit results, CE3 will pay all of the costs associated with the Auditor's review. If the Auditor determines that Sponsor had no reasonable basis for the finding, Sponsor will pay all of the costs associated with the Auditor's review.

12.3 Adherence to Audit Findings & Action Plan. Subject to section 12.2, CE3 will comply with all provisions stipulated in the audit report and/or Action Plan, including any provisional requirements, pursuant to any service provided under a PSO.

13. GOVERNMENTAL INSPECTION

13.1 Subject to the provisions of section 13.2. below, during the term of this Agreement and/or the performance of any PSO, CE3 agrees, at Sponsor's expense, including possible cost for CE3 personnel to prepare for audit, to permit representatives of the FDA and/or the duly authorized representative of a federal or international governmental, regulatory or administrative department or agency ("Regulatory Authority") to examine at any reasonable time during normal business hours (and where applicable make copies of) (i) the facilities where the Services and/or Study are being performed; (ii) raw Study or Project data, including original subject records; and (iii) any other relevant information necessary to confirm that the Services are being performed in compliance with the Study protocol, this Agreement, and the applicable PSO, and with applicable laws and regulations.

13.2 Sponsor will be notified as soon practical in the event that CE3's facilities or designated facilities or an IRB utilized in connection with any PSO are the subject of an inspection or the subject of an intended inspection by a Regulatory Authority which may involve the subject matter of this Agreement or any PSO. CE3 will provide Sponsor with the following data:

13.2.1 purpose of inspection;

13.2.2 name and credential number of Regulatory Authority personnel;

13.2.3 a copy of form(s) issued by the Regulatory Authority, if any; and

13.2.4 a copy of any communication to or from the Regulatory Authority.

13.3 In addition, unless otherwise required by law, CE3 will not permit any inspections involving a Study, Project, Confidential Information or Personal and Protected Health Information until further instructions are received from Sponsor or until Sponsor and the inspecting Regulatory Authority have reached an appropriate agreement. Unless otherwise required by law, no copies of a Study protocol, PSO other Confidential Information or Personal and Protected Health Information may be given by CE3 to the Regulatory Authority. CE3 shall use its best efforts to promptly notify Sponsor of any request for information during a regulatory inspection to allow Sponsor the option to authorize CE3 to disclose the requested information during such inspection. Otherwise, any request for such information is to be redirected to Sponsor. Further CE3 will notify Sponsor promptly of any governmental and/or regulatory action taken with respect to any aspect of a Study or Project.

14. GENERAL

14.1 Advertising. Under no circumstances may one party use the name of the other party or the Study Drug, or any of its personnel, for promotional literature or advertising without the prior permission and approval of the other party. Notwithstanding the foregoing, in the event that either party may be required to use the

name of the other party in submissions to a Regulatory Authority, no prior consent for such use will be necessary.

14.2 Independent Contractors. CE3 will perform the Services under this Agreement only as an independent contractor and not as an agent, employee, joint venturer or partner of Sponsor, and nothing contained herein will be construed to be inconsistent with that relationship or status. This Agreement will not constitute, create, or in any way be interpreted as, a joint venture, partnership, or business organization of any kind. CE3 Personnel performing Services pursuant to any PSO hereunder are not nor will they be deemed to be at any time during the term of this Agreement employees or agents of Sponsor. CE3 will pay, when due, salaries, wages and other forms of compensation or reimbursement and all applicable federal, state and local withholding taxes and unemployment taxes, as well as social security, state disability insurance and all other payroll charges payable to, or on behalf of, CE3's personnel working on any Project. No life, casualty, or disability insurance, or health, retirement or any other employment benefits will be paid by Sponsor to or for the benefit of CE3 or its personnel.

14.3 Notices. Any notice or other communication pursuant to this Agreement in writing and will be deemed to have been fully given when delivered by nationally-recognized overnight courier service or three (3) days after being mailed by United States registered or certified mail, postage prepaid and return receipt requested, to the following addresses or such other addresses as each party may provide in writing to the other party from time to time:

If to CE3:
CE3 Inc.
246 Goose Lane, Suite 202
Guilford, CT 06437

If to Sponsor:
Silverback Therapeutics
500 Fairview Ave N, #600
Seattle, WA 98109

14.4 Assignment. This Agreement may not be signed or subcontracted, in whole or in part, by either party without the prior written consent of other party; provided, however, that a party may assign this Agreement, without the prior written consent of the other party, to an entity who acquires all or substantially all of its business, whether through merger, reorganization or otherwise.

14.5 Governing Law/Venue. This Agreement in all respects be governed by, construed and enforced in accordance with the laws of the State of Delaware, regardless of its choice of law rules. Each party hereby specifically consents to the personal jurisdiction of the courts in the State of Connecticut or the State of Washington; provided that, in the event of a dispute concerning this Agreement, any suit, proceeding, arbitration or mediation will be brought: (a) by Sponsor only in a court or tribunal of competent jurisdiction in the State of Connecticut, or (b) by CE3 only in a court or tribunal of competent jurisdiction in the State of Washington.

14.6 Conduct. When interacting under this Agreement, neither CE3 nor Sponsor will commit any act of sexual harassment nor discriminate on the basis of sex, race, religion, national origin, disability, marital status, Veteran's status and age. Each party will indemnify and hold harmless the other against and from any liability, losses, claims and expenses (including but not limited to attorneys' fees) arising from any breach of the foregoing obligations.

14.7 Force Majeure. Neither party will be liable for any delay or failure to perform as required by this Agreement to the extent that such delay or failure to perform is caused by circumstances reasonably beyond the control of the party seeking relief under this section including, without limitation, labor disputes, accidents, any law, order or requirement of any governmental agency or authority, civil disorders or commotions, acts of aggression or terror, fire or other casualty, strikes, acts of God, explosions, or material shortages. Performance time will be considered extended for a period of time equivalent to the time lost

because of any such delay or failure to perform; however, in any event, this extension of time will not exceed [***], at which time the non-affected party may terminate this Agreement or the applicable PSO, unless the parties agree otherwise in writing.

14.8 Headings/Counterparts. The headings contained in this Agreement are for convenience of reference only and are not intended to have any substantive significance in interpreting this Agreement. This Agreement may be executed in any number of counterparts, and each such counterpart will be deemed to be an original and all such counterparts together will constitute one agreement.

14.9 Amendments. No alteration, modification or other change to this Agreement will be binding on the parties except upon execution of a written amendment approved and signed by officers of CE3 and Sponsor. Any alteration, modification or other change to a PSO will require, to the extent required pursuant to such PSO, execution of either a change order (in a form mutually agreed upon by Sponsor and CE3), an amendment, or other written authorization, in accordance with the terms and conditions set forth in each PSO. Change orders and/or amendments will be executed by authorized representatives of CE3 and Sponsor. Each change order or amendment executed in accordance with this section 14.9 will be deemed to be incorporated into the applicable PSO. Any amendment or change order will become effective only upon execution thereof, unless the amendment or change order specifically sets forth a different effective date. Both parties agree to act in good faith to promptly identify, review and execute amendments and change orders.

14.10 Invalidity/Waiver. The terms of this Agreement will be severable so that if any term, clause, or provision hereof is deemed invalid or unenforceable for any reason, such invalidity or unenforceability will not affect the remaining terms, clauses and provisions hereof, which will continue with full force and effect. The waiver by either party hereto of any breach of the terms and conditions hereof will not be considered a modification of any provision, nor will such waiver act to bar the enforcement of any subsequent breach.

14.11 Entire Agreement. This Agreement (including all PSOs and any other appendices, attachments, exhibits and/or purchase orders) constitutes the entire agreement between the parties with respect to the subject matter contained herein, and this Agreement supercedes all prior or existing understandings or agreements, written and oral, between the parties with respect to the subject matter contained herein. The parties intend for this Agreement to be a complete statement of the terms of their agreement, and no change or modification of any of the provisions of this Agreement will be effective unless it is in writing and signed by duly authorized representatives of CE3 and Sponsor. In the event of a conflict between the terms of this Agreement and any PSO, appendix, attachment, exhibit or purchase order entered into between the parties, the terms of the Agreement will govern, unless the PSO, appendix, attachment, exhibit or purchase order expressly states that it or a provision therein will govern notwithstanding a contrary provision contained in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

CE3 Inc.

Digitally signed by Timothy Garrelts
Date: 2020.01.21 11:54:22 -05'00'

By: */s/ Timothy Garrelts*
Chief Operating Officer

Name: Timothy Garrelts

Title: Chief Operating Officer

Date**:** _____

Silverback Therapeutics

By: */s/ Jeffrey C. Pepe*

Name: Jeffrey C. Pepe

Title: SVP, General Counsel

Date: January 21, 2020

Attachments: Exhibit A (Sample Project Specification Order)

*****Certain Confidential Information Omitted**

EXHIBIT A
(Sample Project Specification Order)

PROJECT SPECIFICATION ORDER EFFECTIVE DATE XXX
TO MASTER SERVICES AGREEMENT
BETWEEN CE3, INC. AND SPONSOR NAME

PROJECT NAME: XXX

THIS Project Specification Order ("PSO") is made and entered into as of DATE by and between CE3 INC. ("CE3") and Sponsor Name ("Sponsor"). Capitalized terms used herein and not defined will have the meanings ascribed to them in the Master Services Agreement (as defined below).

WHEREAS, CE3 and Sponsor have entered into a Master Services Agreement effective DATE (the "Master Agreement"); and

WHEREAS, pursuant to the Master Agreement, CE3 has agreed to perform certain Services in accordance with PSOs from time to time entered into by the parties, as provided in the Master Agreement, and Sponsor and CE3 now desire to enter into such a PSO; and

WHEREAS, Sponsor desires that CE3 provide certain certain Services related to the investigational drug referred to as *XXX*, in accordance with the Study Protocol # XXX entitled, "STUDY TITLE" (the "Study").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound, the parties hereby agree as follows:

1. Project Description. CE3 will perform services in accordance with the scope of services affixed hereto and made a part here of as Exhibit A and any other documents attached to this PSO (the "Project").

   CE3 and Sponsor Project Contacts: XXX

2. Transfer of Obligations. Pursuant to 21 CFR 312.52, Sponsor hereby transfers to CE3 all of the obligations set forth in the Transfer of Obligations form attached hereto and made a part here of as Exhibit C. CE3 agrees to perform the transferred obligations. Any responsibilities not specifically set forth in Exhibit C as transferred to CE3 will remain the responsibility of Sponsor.

3. Project Timeline/Duration. It is anticipated that the Project duration will be approximately XX months. The parties agree that any delay by Sponsor in taking any action or in delivering any documents, data, and/or records that the parties agree is required in order for CE3 to properly perform services hereunder will extend any affected dates or time intervals set forth in the project timeline by the length of any such delay.

4. Compensation and Payment Schedule.

   a. Project Budget. For performance of the project in accordance with the Scope of Services, Sponsor will pay CE3 Service Fees and Pass-Through costs ("Total Project Cost") in accordance with the Project Budget affixed hereto and made part hereof as Exhibit B.

   b. Payment Schedule for CE3 Services. The amounts set forth in the Project Budget will be paid upon Sponsor's receipt of an invoice from CE3 in a frequency no greater than one invoice per month. CE3 will invoice on a time and materials basis. Upon execution of this PSO, Sponsor will pay CE3 a Startup Payment in the amount of XXX (#) percent (or $XXXX) of the Service fees as stated in the Project Budget. The Startup Payment will be reconciled against and subtracted from the final Project payment(s). Any change to the Project Assumptions, and/or Scope of Services, which will increase or decrease the Project Budget will be handled in accordance with section 5 of this PSO.

c. Payment Schedule for Pass-through Costs. Upon execution of this PSO, Sponsor will pay CE3 an initial payment of $XXXX to cover a portion of the pass-through costs stated in the Project Budget. Beginning [***] after this initial payment, CE3 will forecast the projected pass-through costs for the next two month period and invoice Sponsor if insufficient funds remain from the previous (initial) payment. This process will be repeated bi-monthly thereafter until study completion. CE3 will provide Sponsor with a final reconciliation of pass-through costs.

d. Changes to Project Budget. Sponsor will not be liable for payment of any fees incurred by CE3 in excess of the "Total Project Cost" as defined in Exhibit B except pursuant to an amendment or other written agreement executed by Sponsor and CE3 in accordance with the provision of section 5 of this PSO. CE3 will act in good faith to promptly identify any changes in the Project, will track all changes, related costs and will notify Sponsor as soon as the change to the Project Budget is known.

e. Invoice and Payment Instructions. If required for payment, Sponsor will provide CE3 with a purchase order ("PO") shortly following execution of this PSO. CE3 will submit invoices and supporting documentation to Sponsor, which will include the PO number (if applicable), invoice amounts and associated description of services. CE3 will submit invoices to the following address, or such other address as Sponsor may subsequently designate by notice.

Sponsor Name
AP Address
Attn: Accounts Payable

All payments to CE3 will be sent to the following address or to such other address as CE3 may subsequently designate by notice:

CE3 Inc.
246 Goose Lane, Suite 202
Guilford, Ct 06437
Attn: Accounts Receivable

Or Via ACH

5. Project Changes. No alteration, modification, amendment or change order to this PSO will be binding upon the parties unless written approval is granted by Sponsor and/or CE3 in accordance with the provisions of section 1.2 of the Master Agreement. Upon completion of the Project, Sponsor and CE3 will review a final reconciliation and negotiate in good faith any payments or reimbursements are due to either party before final payment will be made to CE3.

6. Term and Termination. The term of this PSO will commence on the Effective Date and will continue until the Project completion provided, however, Sponsor may terminate this PSO or CE3's participation in the Project in whole or in part prior to the completion of the Project upon 30 days written notice.

7. Incorporation by Reference; Conflict. The provisions of the Master Agreement are incorporated by reference into and made a part this PSO. In the event of a conflict between the terms and conditions of this PSO and those of the Master Agreement, the terms of the Master Agreement will take precedence and control over those of this PSO.

*****Certain Confidential Information Omitted**

IN WITNESS WHEREOF, the parties have caused this PSO to be duly executed as of the Effective Date.

Sponsor Name	**CE3, Inc.**
By: _____	By: _____
Name:	Name:
Title:	Title:

SAMPLE LIST OF EXHIBITS ATTACHED TO EACH PROJECT SPECIFICATION ORDER:

EXHIBIT A: SCOPE OF SERVICES
EXHIBIT B: PROJECT BUDGET
EXHIBIT C: TRANSFER OF OBLIGATIONS FORM

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

CELL LINE LICENSE AGREEMENT

This Cell Line License Agreement ("Agreement"), effective as of 11 October 2019 ("EFFECTIVE DATE"), is entered and made by and between **WuXi Biologics (Hong Kong) Limited**, having an address at Flat/RM826, 8/F Ocean Centre Harbour City, 5 Canton Road TST, Hong Kong ("WuXi Biologics") and **Silverback Therapeutics, Inc.**, having its principal place of business at 500Fairview Ave. N #600, Seattle, WA 98109 ("Licensee"). WuXi Biologics and Licensee may bereferred to herein individually as a "Party" and collectively as the "Parties."

The Parties agree as follows:

1. **Definitions**

1.1 "**Affiliate**" of a person means any other person that directly or indirectly Controls, is Controlled by, or is under common Control with, the person.

1.2 "**Client Product**" means [***] of interest to Licensee, which is designated by the Licensee to be produced by the Licensed Cell Line.Each different Client Product covered under this Agreement shall be specified in Appendix I. An amendment to this Agreement is required for each new Client Product produced by the Licensed Cell Line.

1.3 "**Confidential Information**" of a Party (the "**Disclosing Party**") means all information and materials disclosed by or on behalf of the Disclosing Party to the other Party (the "**Receiving Party**") or its Related Persons (defined below) in connection with this Agreement. Confidential information shall be identified as confidential in writing or, if disclosed verbally or by observation, summarized in writing and submitted to the Receiving Party within [***] of the oral or visual disclosure thereof; provided, however, information need not be labeled or marked "confidential" to be deemed Confidential Information hereunder, if under the circumstances it is, or should be, understood to be confidential. The Confidential Information of both Parties includes the financial terms of this Agreement, and the nature of any dispute and the outcome of any arbitration proceedings arising out of or in connection with this Agreement.

1.4 "**Construct**" means a [***] developed by WuXi Biologics that is used for delivering genetic code and for transfecting

and/or transforming the Host Cell Line for purposes of creating the Licensed Cell Line.

1.5 "**Control**" over an entity means (a) owning 50% or more of the voting securities or other ownership interests of such entity or (b) having the power to direct the management or policies of such entity.

1.6 "**Drug Product**" means the final dosage form which contains Client Product produced by the Licensed Cell Line, in association with other active or inactive ingredients.

1.7 "**Drug Substance**" means bulk Client Product produced by the Licensed Cell Line, which has not yet been packaged into its final dosage form.

1.8 "**Host Cell Line**" means the proprietary cell line developed by WuXi Biologics,and designated by WuXi Biologics as the [***], that is used in the manufacture and production of Client Products for clinical trials and commercial purposes.

1.9 "**Licensed Cell Line**" means a transformed or transfected (using WuXi Biologics' Construct(s)) version of the Host Cell Line that produces the Client Product.

1.10 "**Licensed Know-How**" means any know-how and non-public information owned or controlled by Wuxi Biologics that is used or incorporated in the Process, and that is necessary to operate the Process as described m the Technology Transfer Package. The word "control" when used in connection with Licensed Know-How includes both exclusively and non-exclusively licensed know-how and non-public information, as well a right of WuXi Biologics to transfer such know-how and non-public information to Licensee.

1.11 "**Materials**" means the biological materials, including the Licensed Cell Line, provided to Licensee pursuant to the license granted under this Agreement.

1.12 "**Media and Feeds**" means any proprietary media and feeds used in the Process.

1.13 "**Process**" means a process for manufacture of Client Product utilizing Licensed Know-How, Materials and Media and Feeds as described in the Technology Transfer Package.

*****Certain Confidential Information Omitted**

1.14 "**Regulatory Approval**" means any and all approvals (including pricing and reimbursement approvals), product and establishment licenses, registrations or authorizations of any kind of a Regulatory Authority necessary for the development, clinical testing, manufacture, quality testing, supply, use, storage, importation, export, transport, marketing and sale of a Client Product (or any component thereof) for use in any country or other jurisdiction.

1.15 "**Related Persons**" means a Party's Affiliates and their respective directors, officers, employees and agents.

1.16 "**Research Cell Bank**" is a [***].

1.17 "**Technology Transfer Package**" means the information and data to be provided to Licensee describing the Process and WuXi Biologics', Licensed Know-How, Materials and Media and Feeds for manufacture of Client Product using the Licensed Cell Line and/or the Process, .

1.18 "**Third Party**" means any person other than the Parties to this Agreement.

1.19 "**Third Party Manufacturer**" means (i) a Third Party whose primary business is contract manufacturing, or (ii) a Third Party who has a contractual arrangement with Licensee or with a sublicensee of Licensee that includes manufacturing of Client Product and/or Drug Product by such Third Party for Licensee or such sublicensee.

2. **License**

2.1 WuXi Biologics hereby grants to Licensee and its Affiliate a non-exclusive,worldwide license, with the right to grant sublicenses as provided in Section 2.3,to use: (a) Licensed Know-How in relation to the Licensed Cell Line, (b) to use the Licensed Cell Line, Materials, Media and Feeds, and (c) to operate the Process, including the following licensed activities:

i. to make, have made, import and use any listed Client Product; and

ii. to make, have made, use, sell, have sold, offer for sale, import, keep and otherwise deal in Drug Substance and Drug Product for any and all purposes.

2.2 The Licensee or its Affiliates may contract with a Third Party Manufacturer forthe limited purpose of manufacturing Client Product on behalf of the Licensee orits Affiliates, provided that, such Third Party Manufactures are bound by thecontract to comply with the terms of this Agreement, and that the Licensee or its Affiliates will remain liable for any Third Party Manufacturers' breach of this Agreement.

2.2.1 For the avoidance of doubt, a Third Party Manufacturer cannotmanufacture Client Product, Drug Substance or Drug Product utilizing the Licensed Cell Line and Licensed Know-How without first being contracted with a Licensee, its Affiliates or sublicensee.

2.2.2 A Third Party that has been granted a sublicense cannot grant, issue or transfer a sublicense to another Third Party.

2.3 Subject to the terms and conditions of this Agreement, Licensee shall have theright to grant sublicenses to Third Parties for the rights granted to Licenseeunder this Agreement. Each sublicense agreement shall be in writing and providethat the applicable sublicensee is bound by all applicable terms and conditions ofthis Agreement, and Licensee shall remain liable for any sublicensee's breach ofthis Agreement. Licensee shall inform WuXi Biologics in writing any and all such sublicenses. [***]. Licensee shall provide WuXi Biologics at least [***] prior written notice if Licensee or its Affiliates intend to grant sublicense to a Third Party under this agreement.

2.4 Except as expressly provided in this Agreement, nothing in this Agreement shallbe deemed to have granted Licensee (by implication, estoppel or otherwise) anyright, title, license or other interest in or with respect to any intellectual property, Know-How or information owned or controlled by WuXi Biologics.

2.5 This license starts (the "Commencement Date") from the date WuXi Biologics completes transfection of the Host Cell Line to generate the Client Licensed Cell Line. Invoicing of License fees will commence from the date WuXi Biologics completes Research Cell Bank generation from the Licensed Cell Line.

3. **Transfer of Materials and Licensed Know-How**

WuXi Biologics shall disclose and make available, and shall cause its Affiliates to discloseand make available, to Licensee, its Affiliates, or any one or more of its Third Party

Manufacturers designated by Licensee, all Materials, Confidential Information, andLicensed Know-How owned or controlled by WuXi Biologics as of the Commencement Date, that is necessary or reasonably useful for Licensee and Third Party Manufacturersto operate the Process as described in the Technology Transfer Package. The Partiesshall agree in writing to a schedule for such transfer of the Materials and Licensed Know-How.

4. **License Fee**

As consideration for the license granted in Section 2 of this Agreement, and therepresentation and warranty set forth in Section 10 of this Agreement, Licensee agreesto pay WuXi Biologics as follows: (1) USD $[***] for a License to manufacture a singletype of protein for use in a single Product; and (2) an additional one-time payment ofUSD $[***] for any type of protein or proteins for use in any Client Product or Productsin the event that Licensee previously paid USD $[***] under subsection (1) above.The total amount to be paid under this section shall not exceed USD $[***].

5. **Cell Line Milestones.**

If Client manufactures all of its commercial supplies of the Client Product by utilizing a manufacturer other than Provider or its Affiliates ("Third Party Manufacturer") utilizing the [***] License, Client shall pay to Provider the following Milestones:

(1) First commercial sale: USD $[***]

(2) First Calendar Year in which annual Net Sales of USD $[***] are achieved: USD $[***]

(3) First Calendar Year in which annual Net Sales of USD $[***] are achieved: USD $[***]

(4) First Calendar Year in which annual Net Sales of USD $[***] are achieved: USD $[***]

(5) First Calendar Year in which annual Net Sales of USD $[***] are achieved: USD $[***]

6. **Payment Terms**

Licensee shall pay WuXi Biologics' undisputed invoice(s) within [***] ofreceipt by Licensee. Such payments will be made by wire transfer to the accountdesignated by WuXi Biologics. Invoices must be submitted, and payment must bemade, without set-off or other deduction of any nature.

7. **Bank Account Details**

Unless the Parties otherwise mutually agree in writing, and such mutual agreement isset forth in a particular invoice, Licensee shall pay each invoice in USD by wire transferto the account designated by WuXi Biologics.

8. **Restriction**

Licensee agrees that no attempt will be made by or on behalf of Licensee to modify orreverse engineer the Licensed Cell Line or attempt to reverse engineer, recreate orassemble the Construct(s). Licensee shall only use the Licensed Cell Line in the way as permitted by this Agreement and shall not use or have used the Licensed Cell Line forany purpose other than operating the Process, the manufacture of Client Product, Drug Substance and Drug Product, and for other purposes reasonably related to securing Regulatory Approval for the Client Product and/or Drug Product. Licensee shall nottransfer the Licensed Cell Line to any Third Party except to a permitted sublicensee, as described in Section 2 above.

9. **Indemnity**

9.1 Licensee agrees to indemnify, hold harmless and defend WuXi Biologics, itsAffiliates, and their respective directors, officers, employees and agentsharmless from and against any and all liabilities and damages (includingreasonable attorneys' fees) resulting from any and all claims from any ThirdParty ("Claims") to the extent arising from the use of the Client Product, Drug Substance or Drug Product by Licensee; provided that Licensee shall have no obligation to indemnify any such Claims that arise from WuXi Biologics' (i)negligence or intentional misconduct in connection with the Licensed Cell Line(ii) material breach of this Agreement (including the representations andwarranties set forth in Section 10); or (iii) Host Cell Line components of theLicensed Cell Line or any Media and Feeds.

9.2 WuXi Biologics shall defend, indemnify and hold Client, any sub-Licensees,Third Party Manufacturers, and Client Related Persons harmless from andagainst Losses resulting from Claims arising out of or related to infringement ofany Intellectual Property rights in connection with this License and that aresolely based on Licensed Know-How.

10. **Representations and Warranties**

10.1 WuXi Biologics represents and warrants that: (i) it is a corporation dulyorganized validly existing and in good standing under the laws of the Hong Kong; (ii) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of WuXi Biologics; (iii) the performance of WuXi Biologics' obligations under this Agreement will not conflict with its charter documentsor result in a material breach of any agreements, contracts or other arrangements towhich it is a party; (iv) WuXi Biologics will not, before Termination of this Agreement, enter into any agreements, contracts or other arrangements that would be materiallyinconsistent with its obligations under this Agreement; (v) WuXi Biologics has sufficient facilities, experienced personnel and other capabilities reasonably suited to enable it to perform its obligations under this Agreement; and (vi) WuXi Biologics has the right togrant the licenses or sublicenses, as the case may be, therefor granted under this Agreement.

10.2 Licensee represents and warrants that: (i) it is a corporation duly organizedvalidly existing and in good standing under the laws of Delaware; (ii) the execution,delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Licensee; (iii) the performance of Licensee's obligationsunder this Agreement will not conflict with its charter documents or result in a material breach of any agreements, contracts or other arrangements to which it is a party; (iv) Licensee has sufficient facilities, experienced personnel and other capabilitiesreasonably suited to enable it to perform its obligations under this Agreement; and (v) Licensee will not, before Termination of this Agreement, enter into any agreements,contracts or other arrangements that would be materially inconsistent with its obligations under this Agreement

10.3 Disclaimer of Warranties. THE LICENSED KNOW-HOW, AND LICENSED CELL LINES ARE PROVIDED AND LICENSED TO LICENSEE "AS IS", AND WUXI BIOLOGICS AND ITS RESPECTIVE AFFILIATES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OR CONDITIONS OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT THERETO OR TO THE PRODUCTS OR WUXI BIOLOGICS TECHNOLOGY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE RIGHTS LICENSED HEREUNDER, OR NONINFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

11. **Confidentiality**

11.1 Subject to the exceptions listed below, during the term of this Agreement andfor [***] thereafter, the Receiving Party shall, and shall ensure that its Related Persons will, (a) maintain the Disclosing Party's Confidential Information in confidence,(b) not use such Confidential Information other than in connection with this Agreement,

and (c) not disclose such Confidential Information to any Third Party other than (i) thoseof its Related Persons that have a need to know such Confidential Information inconnection with the Activities conducted pursuant to the Agreement and are obligatedto maintain such Confidential Information in confidence and (ii) to the extent requiredby applicable law or judicial order, or (iii) to the extent reasonably necessary toprosecute or defend litigation or arbitration in relation to this Agreement, and, in eithercase, only after the Receiving Party gives the Disclosing Party prompt advance writtennotice of such requirement and reasonably cooperates with the Disclosing Party's effortsto limit or avoid such disclosure, to seek a protective order or secure confidentialtreatment of the Confidential Information, and/or to seek any other remedies availableto the Disclosing Party at law or in equity. Notwithstanding the foregoing, theexistence of this Agreement and its non-technical terms may be disclosed confidentiallyin connection with a potential financing or acquisition or in discussion with a potential acquirer of Client Product

11.2 The Receiving Party's obligations set forth in Section 11.1 do not apply toConfidential Information if (a) the information is public knowledge or becomes public knowledge after disclosure through no act or omission of the Receiving Party or any ofits Related Persons, (b) the information can be shown by the Receiving Party to havebeen in its possession prior to disclosure, (c) the information was rightfully received ona non-confidential basis from a Third Party that was not obligated to maintain the information in confidence, or (d) the Receiving Party can show that equivalentinformation was developed independently by the Receiving Party without reference tothe Disclosing Party' Confidential Information.

11.3 Licensee may disclose the Confidential Information of WuXi Biologics to aThird Party for the purpose of exercising Licensee's license rights hereunder (including disclosure to potential Third Party sublicensees), provided that Licensee shall, prior tosuch disclosure, ensure that each Third Party to which disclosure is to be made is madeaware of the obligations contained in this Agreement and agrees to be subject toobligations of confidentiality and non-use no less onerous than those contained in this Agreement. Any breaches of the obligations of confidentiality and non-use contained inthis Agreement by such Third Party shall be treated as a breach of such obligations by Licensee.

11.4 Notwithstanding anything to the contrary in this Agreement, a Party maydisclose this Agreement and its terms, and material developments or materialinformation generated under this Agreement, in securities filings with the U.S. Securitiesand Exchange Commission (or equivalent foreign agency) and any rules of stockexchanges where the Parties may be listed to the extent required by applicable law after

complying with the procedure set forth in this Section 11.4. In such event, the Partyseeking such disclosure will prepare a draft confidential treatment request andproposed redacted version of this Agreement to request confidential treatment for this Agreement, and the other Party will promptly give its input in a reasonable manner inorder to allow the Party seeking disclosure to file its request within the timelinesproscribed by applicable laws and regulations. The Party seeking such disclosureshall exercise commercially reasonable efforts to obtain confidential treatment of this Agreement from the U.S. Securities and Exchange Commission (or equivalent foreignagency) as represented by the redacted version reviewed by the other Party.

11.5 The provisions of this Section 11 shall survive termination or expiry of this Agreement.

12. **Termination**

12.1. Voluntary Termination by Licensee.

Licensee shall have the right to terminate this Agreement upon at least six (6) monthsprior written notice to WuXi Biologics, and upon payment of all amounts due to WuXiBiologics through such termination effective date.

12.2 Termination for Default

(a) Nonpayment. In the event Licensee fails to pay any amounts rightfully due and payable to WuXi Biologics hereunder, and fails to make such payments within thirty (30)days after receiving written notice of such failure, WuXi Biologics may terminate this Agreement upon written 45 days written notice to Licensee.

(b) Material Breach. In the event a Party commits a material breach of itsobligation under this Agreement and fails to cure that breach within thirty (30) daysafter receiving written notice thereof, a Party may terminate this Agreementimmediately upon written notice to the other Party.

13. **Miscellaneous.**

13.1 Assignment. This Agreement may not be assigned or otherwise transferredby either Party without the prior written consent of the other Party, which consent shallnot be unreasonably withheld, conditioned or delayed; *provided, however*, that a Partymay, without such consent, assign this Agreement in its entirety (a) to an Affiliate, or (b)to a Third Party in connection with a merger, acquisition, consolidation or a sale

involving all or substantially all of the assets or business of such Party. Any attempted assignment or transfer in violation of this Section 13.1 shall be void.

13.2 Regulatory Assistance. WuXi Biologics will provide assistance to Licensee,and any sublicensee, in respect of Licensee's or such sublicensee's regulatory filingactivities for the Client Product and/or Drug Product, subject to agreement ofreasonable commercial terms for provision of such assistance.

13.3 Governing Law. The laws of the state of New York, without giving effect toprinciples of conflict of laws, govern all matters relating to this Agreement.

13.4 Arbitration. The Parties shall engage in good faith consultation to resolveany dispute, controversy, or claim arising out of, relating to, or in connection with this agreement, including with respect to its formation, applicability, breach, termination,validity or enforceability. Such consultation will begin immediately after one party has delivered to the other party a request for consultation. If the dispute, controversy, orclaim cannot be resolved within [***] days following the date on which the requestfor consultation is delivered, then it will be finally settled by arbitration in accordancewith this Section 13. Any dispute arising or in connection with this Agreement shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Proceduresin effect at the time of applying for arbitration in New York. Arbitral award is final andbinding upon both parties. The arbitration wilt be conducted in the English language bya single arbitrator and the arbitrator must be fluent in the English language. Thearbitration proceedings will be confidential, and the arbitrator may issue appropriate protective orders in accordance with JAMS's arbitration rules then in effect to safeguardeach party's Confidential Information. During the course of arbitration, the Parties shall continue to implement the terms of this Agreement. The arbitral award will be in writing,state the reasons for the award, and be final and binding upon the parties. Judgementupon the award may be entered by any court having jurisdiction thereof over therelevant party or its assets. Notwithstanding the foregoing, each Party has the right to institute an action in a court of proper jurisdiction for injunctive or other equitable relief pending a final decision by the arbitrator.

13.5 Counterparts. This Agreement may be executed in two (2) or morecounterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile, .pdf or other electronically transmitted signatures and such signatures shallbe deemed to bind each Party hereto as if they were the original signatures.

*****Certain Confidential Information Omitted**

IN WITNESS WHEREOF, the Parties hereto have caused this AGREEMENT to be duly executed as of the Effective Date set forth above.

WuXi Biologics (Hong Kong) Limited

By: */s/ Chris Chen*
Print Name: Chris Chen
Title: CEO

Silverback Therapeutics, Inc.

By: */s/ Peter A. Thompson, MD, FACP*
Name: Peter A. Thompson, MD, FACP
Title:

Legal
Approved

Appendix I

List of Service Agreements for Licensee Products

	Licensee Product Name	Contract (e.g., Master Service Agreements)	Effective Date
1	[***]	[***]	[***]
2			
3			
4			
5			

[***]

***Certain Confidential Information Omitted

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of November 21, 2016 (the "**Effective Date**") between SILICON VALLEY BANK, a California corporation ("**Bank**"), and SILVERBACK THERAPEUTICS, INC., a Delaware corporation ("**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shallrepay Bank. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Term Loan Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, Borrower may request that Bank make certain term loan advances (each a "**Term Loan Advance**" and, collectively, the "**Term Loan Advances**") from two (2) tranches, as described below, in multiple advances in an aggregate original principal amount not to exceed the Term Loan Commitment, as follows: (i) the first (1st) tranche shall be available to Borrower from the Effective Date through the Tranche One Commitment Termination Date in multiple advances in the aggregate original principal amount not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000) (each, a "**Tranche One Term Loan Advance**"), and (ii) provided that Borrower has achieved the Tranche Two Milestone, the second (2nd) tranche shall be available to Borrower from the date on which Borrower achieves the Tranche Two Milestone through the Tranche Two Commitment Termination Date in the aggregate original principal amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) (each, a "**Tranche Two Term Loan Advance**"). Each Term Loan Advance, other than the final Term Loan Advance, must be in an amount of not less than Five Hundred Thousand Dollars ($500,000). After repayment, no Term Loan Advance may be re-borrowed.

(b) Repayment.

(i) Interest Only Payments. For each Term Loan Advance, Borrower shall make monthly payments of interest-only commencing on the first (1st) calendar day of the first (1st) month following the month in which the Funding Date occurs with respect to such Term Loan Advance and continuing thereafter during the Interest-Only Period on the first (1st) calendar day of each successive month.

(ii) Principal and Interest Payments. For each Term Loan Advance, commencing on the first (1st) calendar day of the first (1st) month following the Interest-Only Period (the "**Conversion Date**") and continuing on the first (1st) calendar day of each month thereafter, Borrower shall make thirty (30) consecutive equal monthly payments of principal each in an amount which would fully amortize the outstanding Term Loan Advances, as of the Conversion Date, over the Term Loan Repayment Period, plus accrued interest ("**Term Loan Scheduled Payment**"). All unpaid principal and accrued and unpaid interest on the Term Loan Advances is due and payable in full on the Term Loan Maturity Date.

(c) Prepayment.

(i) Mandatory Prepayment Upon an Acceleration. If the Term Loan Advances are accelerated following the occurrence of an Event of Default or otherwise, Borrower shall immediately pay to Bank an amount equal to the sum of (A) all accrued and unpaid interest with respect to the Term Loan Advances through the date the prepayment is made, plus (B) all unpaid principal with respect to the Term Loan Advances, plus (C) the Final Payment, plus (D) the Make-Whole Premium, plus (E) all other sums, if any, that shall have become due and payable hereunder in connection with the Term Loan Advances, including interest at the Default Rate with respect to any past due amounts.

(ii) Permitted Prepayment. So long as an Event of Default has not occurred and is not continuing, Borrower shall have the option to prepay all, but not less than all, of the Term Loan Advances advanced by Bank under this Agreement, provided Borrower(A) delivers written notice to Bank of its election to prepay the Term Loan Advances at least thirty (30) days prior to such prepayment, and (B) pays, on the date of such prepayment (1) all accrued and unpaid interest with respect to such Term Loan Advances through the date the prepayment is made, plus (2) all unpaid principal with respect to such Term Loan Advances, plus (3) the Final Payment, plus (4) the Make-Whole Premium, plus (5) all other sums, if any, that shall have become due and payable hereunder in connection with the Term Loan Advances, including interest at the Default Rate with respect to any past due amounts.

2.2 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.2(b), the principal amount outstanding for each Term Loan Advance shall accrue interest at a per annum rate equal to the greater of (i)(A) the Prime Rate fixed as of the Funding Date of the applicable Term Loan Advance, minus(B) one and three-quarters of one percent (1.75%) or (ii) one and three-quarters of one percent (1.75%). All interest shall be payable monthly in accordance with Section 2.2(c).

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percent (5.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"), Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.2(b) is not a permitted alternative to timely

payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Payment; Interest Computation. Interest is payable monthly on the first(1st) calendar day of each month and shall be computed on the basis of a three hundred sixty(360)-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.3 Fees. Borrower shall pay to Bank:

(a) Good Faith Deposit. Borrower has paid to Bank a deposit of Fifteen Thousand Dollars ($15,000) (the "**Good Faith Deposit**") to initiate Bank's due diligence review process. Any portion of the Good Faith Deposit not utilized to pay Bank Expenses on the Effective Date will be returned to the Borrower's Designated Deposit Account;

(b) Final Payment. The Final Payment due on the earlier of (i) the Term Loan Maturity Date, (ii) the final payment date of each Term Loan Advance, or (iii) at the time of a prepayment pursuant to the terms of Sections 2.1.1(c)(i) and 2.1.1(c)(ii);

(c) Make-Whole Premium. The Make-Whole Premium when due pursuant to the terms of Sections 2.1.1(c)(i) and 2.1.1(c)(ii); and

(d) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement, which fees for documentation and negotiation of this Agreement will not exceed Fifteen Thousand Dollars ($15,000) as of the Effective Date provided negotiations are not protracted) incurred through and after the Effective Date, when due (or, if there is no stated due date, upon demand by Bank).

(e) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.3 pursuant to the terms of Section 2.3(d). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.3.

2.4 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be

due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.5 Withholding. Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.5 shall survive the termination of this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance reasonably satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed original signatures to the Loan Documents;

(b) duly executed original signatures to the Warrant;

(c) duly executed original signatures to the Control Agreement;

(d) the Operating Documents and good standing certificates of Borrower certified by the Secretaries of State of the States of Delaware and Washington and each other

jurisdiction in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) duly executed original signatures to the completed Borrowing Resolutions for Borrower;

(f) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(g) the Perfection Certificate of Borrower, together with the duly executed original signature thereto;

(h) a bailee's waiver in favor of Bank for each location where Borrower maintains property with a third party, by each such third party, together with the duly executed original signatures thereto;

(i) a copy of Borrower's Registration Rights Agreement and/or Investors' Rights Agreement and any amendments thereto;

(j) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank; and

(k) payment of the fees and Bank Expenses then due as specified in Section 2.3 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of an executed Payment/Advance Form;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Payment/Advance Form and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and

warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) Bank determines to its sole but reasonable satisfaction that there has not been a Material Adverse Change.

3.3 Post-Closing Conditions. Within ten (10) days after the Effective Date, Bank shall have received, in form and substance satisfactory to Bank, a landlord's consent in favor of Bank for 500 Fairview Ave N, Seattle, Washington 98109 by the landlord thereof, together with the duly executed original signatures thereto.

3.4 Covenant to Deliver. Except as otherwise provided in Section 3.3, Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.5 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan Advance set forth in this Agreement, to obtain a Term Loan Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 p.m. Pacific time on the Funding Date of the Term Loan Advance. Together with any such electronic or facsimile notification, Borrower shall deliver to Bank by electronic mail or facsimile a completed Payment/Advance Form executed by a Responsible Officer or his or her designee. Bank may rely on any telephone notice given by a person whom Bank believes is a Responsible Officer or designee. Bank shall credit the Term Loan Advances to the Designated Deposit Account on the Funding Date of such Term Loan Advance. Bank may make Term Loan Advances under this Agreement based on instructions from a Responsible Officer or his or her designee or without instructions if the Term Loan Advances are necessary to meet Obligations which have become due.

4. <u>CREATION OF SECURITY INTEREST</u>.

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon

payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its reasonable business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate". Borrower represents and warrants to Bank that(a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its

chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement).

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect (or are being obtained pursuant to Section 6.1(b)) or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a Material Adverse Change.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest there in, pursuant to the terms of Section 6.6(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

All Inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate, provided that none of the foregoing shall be deemed to be a representation of non-infringement of Intellectual Property rights. To Borrower's knowledge, each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business

has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of its Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Litigation. There are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, One Hundred Thousand Dollars($100,000).

5.4 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.5 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.6 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a Material Adverse Change. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in compliance with applicable laws. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Government Authorities that are necessary to continue their respective businesses as currently conducted which, if not obtained, could result in a Material Adverse Change.

5.7 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes,

assessments, deposits and contributions do not, individually or in the aggregate, exceed Ten Thousand Dollars ($10,000).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer, provided that in connection with any representation regarding Intellectual Property, "knowledge" shall specifically exclude any obligation of inquiry or investigation, including but not limited to any obligation to obtain a freedom-to-operate legal opinion.

6. AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a Material Adverse Change.

Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in the Collateral. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) Monthly Financial Statements. As soon as available, but no later than thirty (30) days after the last day of each month, a company-prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(b) Monthly Compliance Certificate. Within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement (if any) and such other information as Bank may reasonably request;

(c) Annual Operating Budget and Financial Projections. Commencing with the 2017 fiscal year of Borrower, within ninety (90) days after the last day of each fiscal year of Borrower (and more frequently as updated), (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by quarter) for the upcoming fiscal year of Borrower, and (ii) annual financial projections for the following fiscal year (on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections;

(d) Annual Financial Statements. (A) at all times that Borrower's Board of Directors requires Borrower to prepare audited financial statements, as soon as available, but no later than two hundred forty (240) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank and (B) at all other times, as soon as available, but no later than sixty (60) days after the last day of Borrower's fiscal year, a company-Prepared consolidated balance sheet and income statement covering Borrower's consolidated operations during such fiscal year certified by a Responsible Officer and in a form acceptable to Bank;

(e) Other Statements. Within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders, in their capacity as security holders, or to any holders of Subordinated Debt, in their capacity as holders of Subordinated Debt;

(f) SEC Filings. In the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any

Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(g) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, One Hundred Thousand Dollars ($100,000) or more; and

(h) Other Financial Information. Other financial information reasonably requested by Bank.

6.3 Reserved.

6.4 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry, location and stage of operations and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as the sole lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations. Notwithstanding the foregoing, (i) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy toward the replacement or repair of destroyed or damaged property in amounts: (x) up to Two Hundred Thousand Dollars ($200,000) with respect to any loss, but not exceeding Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate for all losses under all casualty policies in any one year and (y) greater than Two Hundred Fifty Thousand Dollars ($250,000) with respect to any loss if there is no material impairment of the

prospect of repayment of any portion of the Obligations as determined by Bank in its sole discretion. In each of the foregoing cases, any such replaced or repaired property (1) shall be of equal or like value as the replaced or repaired Collateral and (2) shall be deemed Collateral in which Bank has been granted a first priority security interest, and (ii) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations.

(c) At Bank's request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.5 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Bank deems prudent.

6.6 Operating Accounts.

(a) Maintain Borrower's primary banking relationship, including, without limitation, its operating and other deposit accounts, investment management, Letters of Credit, and foreign exchange services, with Bank and Bank's Affiliates.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.7 Reserved.

6.8 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its Intellectual Property to the extent that the failure to so protect, defend or maintain would not reasonably be expected to result in a Material Adverse Change; (ii) promptly advise Bank in writing of material infringements of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is

commercially available to the public). Borrower shall take such steps as Bank reasonably requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "**Collateral**" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents. It being understood that the Collateral does not include any Intellectual Property as described on Exhibit A.

6.9 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.10 Reserved.

6.11 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, Borrower shall, upon Bank's request in its sole and absolute discretion, (a) cause such new Subsidiary to provide to Bank either a joinder to the Loan Agreement to cause such Subsidiary to become a co-borrower hereunder or a Guaranty, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets (other than Intellectual Property) of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary (other than Intellectual Property of such Subsidiary), in form and substance satisfactory to Bank, and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.11 shall be a Loan Document.

6.12 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7. NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower;(c) consisting of Permitted Liens or Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; and (e) consisting of Borrower's use or transfer of money or Cash Equivalents in the ordinary course of its business for the payment of ordinary course business expenses in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Bank of Peter Thompson departing from or ceasing to be an officer of Borrower within five (5) days prior to his departure from Borrower; or (d) permit or suffer any Change in Control.

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Twenty-Five Thousand Dollars ($25,000) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Twenty-Five Thousand Dollars ($25,000) to a bailee at a location other than (i) to a bailee and at a location already disclosed in the Perfection Certificate, or (ii) deliveries of chemical or biological materials (such as, but not limited to, reagents, gene sequences, nucleic acids, cell lines, compounds, proteins and vectors) pursuant to license agreements, collaboration agreements, and other similar agreements in the ordinary course of Borrower's business, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Twenty-Five Thousand Dollars ($25,000) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (the "**Target**") (including, without limitation, by the formation of any Subsidiary) (an "**Acquisition**") other than in connection with a Permitted Acquisition. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "**Permitted Liens**" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock, provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of former employees, consultants, or other holders of common stock pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase as a result of such repurchase, provided that the aggregate amount of all such repurchases does not exceed Two Hundred Fifty Thousand Dollars ($250,000) per fiscal year or such great amounts with Bank's prior written consent; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for (i) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person; (ii) investments made pursuant to the Series A Purchase Agreement; and (iii) any amendment modification or waiver pursuant to the HoldCo License that would not reasonably be expected to have a Material Adverse Change.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in

Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to (a) meet the minimum funding requirements of ERISA, (b) prevent a Reportable Event or Prohibited Transaction, as defined in ERISA from occurring, or (c) comply with the Federal Fair Labor Standards Act, the failure of any of the conditions described in clauses (a) through (c) which could reasonably be expected to have a Material Adverse Change; or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Change or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date). During the cureperiod, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Section 3.3, 6.2,6.4, 6.5, 6.6, 6.7 (if applicable), 6.8(b), or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within areasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants (if any) or any other covenants set forth in clause (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower's assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of One Hundred Thousand Dollars ($100,000); or (b) any breach or default by Borrower, the result of which could have a Material Adverse Change;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least One Hundred Thousand Dollars ($100,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing the subordination of any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or

obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement; or

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designatesa hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) cause, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9. BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) for any Letters of Credit other than the cash secured Letter of Credit described in the Perfection Certificate delivered to Bank on the Effective Date, demand that Borrower (i) deposit cash with Bank in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110%) of the Dollar Equivalent of the aggregate face amount of all of such Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security;(b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	Silverback Therapeutics, Inc. 500 Fairview Ave N. Seattle, Washington 98109 Attn: Peter Thompson, Chief Executive Officer Fax: _____ Email: _____
If to Bank:	Silicon Valley Bank 555 Mission Street, Suite 900 San Francisco, California 94105 Attn: Jackie Spencer, Director

11. CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the

earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 11 shall survive the termination of this Agreement.

12. GENERAL PROVISIONS

12.1 Termination Prior to Term Loan Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Term Loan Maturity Date by Borrower pursuant to the terms and conditions set forth in Section 2.1.1(c)(ii). Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents(other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof). Notwithstanding the foregoing, prior to the occurrence of an Event of Default, Bank shall not assign any interest in the Loan Documents to an operating company which is a known direct competitor of Borrower (as determined by Bank).

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other partyin connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive termination of this Agreement.

12.10 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to includeelectronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13. DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Acquisition**" is defined in Section 7.3.

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for

any Person that is a limited liability company, that Person's managers and members and member, and for any Person that is a stockholder of Borrower, including, without limitation, any general partner, managing member, officer or director of such stockholder, or any venture capital or private equity fund now or hereafter existing which is controlled by one or more general partners (or member thereof) or managing members of, or shares the same management or advisory company (or stockholder or member thereof) with, stockholder.

"**Agreement**" is defined in the preamble hereof.

"**Bank**" is defined in the preamble hereof.

"**Bank Entities**" is defined in Section 12.9.

"**Bank Expenses**" are all audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto(each, a "**Bank Services Agreement**").

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions substantially in the form attached hereto as Exhibit D.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Bank is closed.

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; and (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue.

"**Change in Control**" means (a) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), (other than OrbiMed Private Investments VI, LP, together with its Affiliates) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act),directly or indirectly, of forty-nine percent (49%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis) other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction; (b) commencing when there are two or more members of the board of directors (or other equivalent governing body), during any period of twelve (12) consecutive months thereafter a majority of the members of the board of directors (or other equivalent governing body) are composed of individuals that qualify under none of the following categories (i) individuals who were members of that board or equivalent governing body on the first day of such period, (ii) individuals whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above, or such individuals' respective Affiliates, constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above, or such individuals' respective Affiliates, constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; (c) OrbiMed Private Investments VI, LP, together with its Affiliates, ceases to own at least 20% of the voting securities of Borrower; or (d) at any time, Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding capital stock of each subsidiary of Borrower free and clear of all Liens (except Liens created by this Agreement).

"**Claims**" is defined in Section 12.3.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently indifferent Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Conversion Date**" is defined in Section 2.1.1(b)(ii).

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Term Loan Advance or any other extension of credit by Bank for Borrower's benefit.

"**Default Rate**" is defined in Section 2.2(b).

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is the multicurrency account denominated in Dollars, account number *******___ (last 3 digits), maintained by Borrower with Bank.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency,the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**Dollars,**" "**dollars**" or use of the sign "**$**" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Effective Date**" is defined in the preamble hereof.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**Final Payment**" is a payment (in addition to and not a substitution for the regular monthly payments of principal and accrued interest) equal to (a) in connection with the Tranche One Term Loan Advances, the aggregate original principal amount of the Tranche One Term Loan Advances multiplied by seven and one half of one percent (7.50%) and (b) in connection with the Tranche Two Term Loan Advances, the aggregate original principal amount of the Tranche Two Term Loan Advances multiplied by six and one half of one percent (6.50%).

"**Financing**" means a bona fide second tranche of private equity financing (including, but not limited to, a financing pursuant to Second Tranche Put Right) with investors and on terms satisfactory to Bank in its reasonable business judgment; provided that the investors and terms set forth in the Series A Purchase Agreement shall be deemed to be satisfactory to the Bank.

"**Foreign Currency**" means lawful money of a country other than the United States.

"**Funding Date**" is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

"**FX Contract**" is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal

property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guaranty**" is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"**HoldCo License**" is that certain Exclusive License Agreement entered into as of March 31, 2016 by and between Borrower and OPI VI – IP HoldCo LLC.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit,(b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.3.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Person, all of such Person's right,title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Interest-Only Period**" means, for each Term Loan Advance, the period commencing on the first (1st) calendar day of the first (1st) month following the month in which the Funding Date of such Term Loan Advance occurs and continuing through May 31, 2018.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out ofBorrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Letter of Credit**" is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrant, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or any guarantor, and any other present or future agreement by Borrower and/or any guarantor with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

"**Make-Whole Premium**" is, for each Term Loan Advance, an amount equal to one percent (1%) of the aggregate outstanding principal amount of each Term Loan Advance if the prepayment is made on or before the first (1st) anniversary of the Effective Date. No Make-Whole Premium shall be charged if the Term Loan Advances are replaced with a new facility from Bank.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Monthly Financial Statements**" is defined in Section 6.2(a).

"**Net Proceeds**" means the gross proceeds received by Borrower from the Financing, less reasonable and customary closing costs (including, but not limited to, reasonable attorneys' fees, brokers' fees or commissions, investment bankers' fees or commissions and similar items) owed

to any Person in an arm's length transaction that are actually incurred in connection with the Financing.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, Bank Expenses, and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents (other than the Warrant), or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, and including interest accruing after Insolvency Proceedings begin and debts, liabilities,or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents (other than the Warrant).

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and,(a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment/Advance Form**" is that certain form attached hereto as Exhibit C.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Acquisition**" means any Acquisition, consisting of a single transaction or a series of related transactions, by the Borrower or any Subsidiary in the form of Acquisitions ofany other Person if (a) total cash consideration paid by Borrower for all such Acquisitions does not in the aggregate exceed Five Hundred Thousand Dollars ($500,000) in any fiscal year of Borrower, provided, that foregoing cash consideration shall not be applicable when consideration paid by Borrower in connection with a Permitted Acquisition is in the form of Borrower's capital stock; (b) the Target shall be in a similar line of business as that of the Borrower; (c) the Target shall be a going concern (other than in respect of the formation of a Subsidiary formed to effect the Acquisition) in accordance with the representations set forth in Section 5.5, not involved in any material litigation that is not covered by reserves and/or insurance satisfactory to Bank; (d)no Event of Default has occurred and is continuing or would exist as a result of such Acquisition, including, without limitation, Borrower's compliance with Section 6.11; (e) if such Acquisition is in the form of a merger by the Borrower into another Person, the Borrower is the surviving legal entity; (f) if such Acquisition is in the form of a merger by a Subsidiary into anotherPerson, one hundred percent (100%) of the outstanding and issued equity of the surviving legal entity shall be owned by the Borrower or a Subsidiary; and (g) no Indebtedness shall be assumed by any Borrower in connection with such Acquisition other than Permitted Indebtedness.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "**Permitted Liens**" hereunder; and

(g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (f) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate;

(b) Investments consisting of Cash Equivalents;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of deposit accounts in which Bank has a perfected security interest;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments (i) by Borrower in Subsidiaries not to exceed One Hundred Thousand Dollars ($100,000) in the aggregate in any fiscal year and (ii) by Subsidiaries in other Subsidiaries not to exceed One Hundred Thousand Dollars ($100,000) in the aggregate in any fiscal year or in Borrower, provided, the foregoing limitations shall not apply to any Subsidiary that becomes a Borrower under this Agreement pursuant to Section 6.11;

(g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans toemployees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board of Directors;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business; and

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of Borrower in any Subsidiary.

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars ($100,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory,

securing liabilities in the aggregate amount not to exceed One Hundred Thousand Dollars ($100,000) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases,licenses and sublicenses do not prohibit granting Bank a security interest therein;

(h) non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7; and

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prime Rate**" is the rate of interest per annum from time to time published in the money rates section of *The Wall Street Journal* or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate ofinterest, as set forth from time to time in the money rates section of *The Wall Street Journal,* becomes unavailable for any reason as determined by Bank, the "Prime Rate" shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors).

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

"**Restricted License**" is any material license or other material agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or(b) for which a default under or termination of could interfere with the Bank's right to sell any Collateral, other than the Restricted License itself due to the termination or expiration thereof according to its terms. It being understood that the Restricted License constituting Collateral does not include any Intellectual Property as described on Exhibit A

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Second Tranche Put Right**" shall have the meaning set for in the Series A Purchase Agreement.

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Series A Purchase Agreement**" is that certain Series A Preferred Stock Purchase Agreement entered into as of April 1, 2016 by Borrower and the investors named therein.

"**Subordinated Debt**" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

"**Target**" is defined in Section 7.3.

"**Term Loan Advance**" is defined in Section 2.1.1(a).

"**Term Loan Commitment**" is Five Million Dollars ($5,000,000).

"**Term Loan Maturity Date**" is, for each Term Loan Advance, the date that the final Term Loan Scheduled Payment is due, but in no event later than November 1, 2020.

"**Term Loan Repayment Period**" is a period of time equal to thirty (30) consecutive months commencing on the Conversion Date.

"**Term Loan Scheduled Payment**" is defined in Section 2.1.1(b)(ii).

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Tranche One Commitment Termination Date**" is September 30, 2017.

"**Tranche One Term Loan Advance**" is defined in Section 2.1.1(a).

"**Tranche Two Commitment Termination Date**" is December 31, 2017.

"**Tranche Two Milestone**" means Bank's receipt of evidence satisfactory to Bank that Borrower has received aggregate Net Proceeds of at least Twenty-Five Million Dollars ($25,000,000) on or before December 31, 2017.

"**Tranche Two Term Loan Advance**" is defined in Section 2.1.1(a).

"**Transfer**" is defined in Section 7.1.

"**Warrant**" is that certain Warrant to Purchase Common Stock dated as of the Effective Date executed by Borrower in favor of Bank, as the same may be amended, modified, supplemented or restated from time to time.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

SILVERBACK THERAPEUTICS, INC.

By: */s/ Peter Thompson*
Name: Peter Thompson
Title: Acting President & Chief Executive Officer

BANK:

SILICON VALLEY BANK

By: */s/ Jackie Spencer*
Name: Jackie Spencer
Title: Director

EXHIBIT A

COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

Pursuant to the terms of a certain negative pledge arrangement with Bank, Borrower has agreed not to encumber any of its Intellectual Property without Bank's prior written consent.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: _____

FROM: SILVERBACK THERAPEUTICS, INC.

The undersigned authorized officer of SILVERBACK THERAPEUTICS, INC., a Delaware corporation ("**Borrower**"), certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "**Agreement**"):

(1) Borrower is in complete compliance for the period ending with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.8 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	Required	Complies	
Monthly financial statements + Compliance Certificate ("**CC**")	Monthly within 30 days	Yes	No
Annual financial statement + CC	(a) if Board requires audited financial statement, FYE within 240 days (CPA Audited) and (b) at all other times, FYE within 60 days (company-prepared)	Yes	No
Annual budget and board-approved projections	FYE within 90 days*	Yes	No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes	No

* commencing with 2017 fiscal year of Borrower.

Other Matters

Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	Yes	No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

_____

_____

SILVERBACK THERAPEUTICS, INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by:_____
AUTHORIZED SIGNER

Date:_____

Verified:_____
AUTHORIZED SIGNER

Date:_____

Compliance Status: Yes No

EXHIBIT C

LOAN PAYMENT/ADVANCE REQUEST FORM

DEADLINE FOR SAME DAY PROCESSING IS NOON EASTERN TIME

Fax To: Date: _____

LOAN PAYMENT:

SILVERBACK THERAPEUTICS, INC.

From Account #_____ To Account #_____
(Deposit Account #) (Loan Account #)

Principal $_____ and/or Interest $_____

Authorized Signature:_____ Phone Number:_____
Print Name/Title:_____

LOAN ADVANCE:

Complete Outgoing Wire Request section below if all or a portion of the funds from this Credit Extension are for an outgoing wire.

From Account #_____ To Account # _____
(Loan Account #) (Deposit Account #)

Amount of Credit Extension $_____

All Borrower's representations and warranties in the Loan and Security Agreement are true, correct and complete in all material respects on the date of the request for a Credit Extension ; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date:

Authorized Signature:_____ Phone Number:

Print Name/Title: _____

OUTGOING WIRE REQUEST:

Complete only if all or a portion of funds from the Credit Extension above is to be wired.
Deadline for same day processing is noon, Eastern Time

Beneficiary Name: _____ Amount of Wire: $
Beneficiary Bank: _____ Account Number:
City and State: _____

Beneficiary Bank Transit (ABA) #:_____ Beneficiary Bank Code (Swift, Sort, Chip, etc.):_____
(For International Wire Only)

Intermediary Bank:_____ Transit (ABA) #:_____
For Further Credit to:_____

Special Instruction: _____

By signing below,I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).

Authorized Signature: _____ 2nd Signature (if required):

_____

Print Name/Title: _____ Print Name/Title:

_____

Telephone #: _____ Telephone
#:_____

EXHIBIT D

FORM OF BORROWING RESOLUTIONS

[See Attached]

CORPORATE BORROWING CERTIFICATE

BORROWER: **SILVERBACK THERAPEUTICS, INC.** **DATE: November __, 2016**
BANK: **SILICON VALLEY BANK**

I hereby certify as follows, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of the Borrower. My title is as set forth below.

2. Borrower's exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of Delaware.

3. Attached hereto are true, correct and complete copies of Borrower's Articles/Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth above. Such Articles/Certificate of Incorporation have not been amended, annulled, rescinded, revoked or supplemented, and remain in full force and effect as of the date hereof.

4. The following resolutions were duly and validly adopted by Borrower's Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and Silicon Valley Bank ("**Bank**") may rely on them until Bank receives written notice of revocation from Borrower.

RESOLVED, that **any one** of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

Name	Title	Signature	Authorized to Add or Remove Signatories
_____	_____	_____	☐
_____	_____	_____	☐
_____	_____	_____	☐
_____	_____	_____	☐

RESOLVED FURTHER, that **any one** of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

RESOLVED FURTHER, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from Bank.

Execute Loan Documents. Execute any loan documents Bank requires.

Grant Security. Grant Bank a security interest in any of Borrower's assets.

Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds.

Apply for Letters of Credit. Apply for letters of credit from Bank.

Enter Derivative Transactions. Execute spot or forward foreign exchange contracts, interestrate swap agreements, or other derivative transactions.

Issue Warrants. Issue warrants for Borrower's capital stock.

Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrower's rightto a jury trial) they believe to be necessary to effect these resolutions.

RESOLVED FURTHER, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

5. The persons listed above are Borrower's officers or employees with their titles and signatures shownnext to their names.

By: _____
Name: _____
Title: _____

*** *If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.*

I, the _____ of Borrower, hereby certify as to paragraphs 1 through 5 above, as of the date set forth above.

By: _____
Name: _____
Title: _____

FIRST AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**") is entered into this 22nd day of December, 2017 by and between SILICON VALLEY BANK, a California corporation ("**Bank**") and SILVERBACK THERAPEUTICS, INC., a Delaware corporation ("**Borrower**").

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of November 21, 2016, (as the same may from time to time be amended, modified, supplemented or restated, the "**Loan Agreement**").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to extend the Tranche Two Commitment Termination Date and make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 2.3 (Fees). Section 2.3 of the Loan Agreement is hereby amended by adding Section 2.3(f) to the Loan Agreement immediately after Section 2.3(e) of the Loan Agreement as follows:

(f) Unused Term Loan Facility Fee. In the event that the Borrower does not request a Tranche Two Term Loan Advance on or prior to the Tranche Two Commitment Termination Date, Borrower shall pay to Bank a non-refundable facility fee of Thirty-Five Thousand and 00/100 Dollars ($35,000) (the "**Unused Commitment Fee**"). The Unused Commitment Fee shall be fully earned as of the Tranche Two Commitment Termination Date and payable by Borrower to Bank upon the earlier of (i) the Term Loan Maturity Date, or (ii) at

the time of a prepayment pursuant to the terms of Sections 2.1.1(c)(i) and 2.1.1(c)(ii).

2.2 Section 13 (Definitions Amended). The following terms and their respective definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

"**Tranche Two Commitment Termination Date**" is March 31, 2018.

"**Warrant**" is, individually and collectively, the Original Warrant and the Additional Warrant.

2.3 Section 13 (Definitions Added). The following terms and their respective definitions are hereby added to Section 13.1 in alphabetical order:

"**Additional Warrant**" is that certain Warrant to Purchase Common Stock, dated as of December 22, 2017, executed by Borrower in favor of Bank, as the same may be amended, modified, supplemented or restated from time to time.

"**Original Warrant**" is that certain Warrant to Purchase Common Stock dated as of the Effective Date executed by Borrower in favor of Bank, as the same may be amended, modified, supplemented or restated from time to time.

"**Unused Commitment Fee**" is defined in Section 2.3(f).

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

3.3 In addition to those Events of Default specifically enumerated in the Loan Documents, the failure to comply with the terms of any covenant or agreement contained herein shall constitute an Event of Default and shall entitle the Bank to exercise all rights and remedies provided to the Bank under the terms of any of the other Loan Documents as a result of the occurrence of the same.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

6. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

7. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) the due execution and delivery to Bank of the Additional Warrant by each party hereto, and (c) payment of Bank's legal fees and expenses in connection with the negotiation and preparation of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BORROWER:

SILVERBACK THERAPEUTICS, INC.

By: */s/ Russ Hawkinson*
Name: Russ Hawkinson
Title: Acting CFO

BANK:

SILICON VALLEY BANK

By: */s/ Derek Scalf*
Name: Derek Scalf
Title: Vice President

Deferral Agreement Effective Date:		April 6 , 20 20
Loan Agreement Date *(use restated date if applicable):*		November 21 , 20 16
Borrower:		Silverback Therapeutics, Inc.
	☐	If this box is checked, additional Borrowers ("**Additional Borrowers**") are listed in the **Annex** attached hereto (Borrower and such Additional Borrowers, collectively, "**Borrower**").
Loan Agreement:		That certain Loan and Security Agreement, dated as of the Loan Agreement Date, between Borrower, Additional Borrowers, if any, and Silicon Valley Bank ("**Bank**"), as amended, restated or otherwise modified and in effect from time to time.
Guarantor(s) or Pledgor(s):	☐	If this box is checked, the obligations of Borrower are guaranteed or secured by a pledge of assets and the Consent and Ratification attached hereto shall apply and must be completed for each Guarantor and/or Pledgor.

Reference is made to the Loan Agreement and the other terms defined herein. Borrower and Bank hereby agree to the Terms and Conditions attached hereto and any applicable Annex and/or Consent and Ratification attached hereto, each of which is incorporated herein by reference (collectively, the "**Deferral Agreement**").

BANK:

SILICON VALLEY BANK

By: */s/ Peter Sletteland*

Peter Sletteland

Name

Vice President

Title

BORROWER:

Silverback Therapeutics, Inc.

By: */s/ Peter Thompson*

Peter Thompson

Name

CEO

Title

By: _____

Name

Title

1. Definitions. Capitalized terms used but notdefined herein shall have the meanings ascribed to such terms in the Loan Agreement.

2. Interest Payments. Borrower shall at all times continue to make regularly scheduled monthly payments of accrued interest on each applicable payment date under the Loan Agreement.

3. Extension of Principal Payment Dates.

   a. The payment dates for all monthly paymentsof principal in respect of any term loans (butnot any other facilities) which are due following the Deferral Agreement Effective Date shall each be extended by six (6) months.

   b. To the extent that the Loan Agreement permits Borrower to extend the period during which Borrower is only required to make payments of accrued interest (and no principal payments) (the "**Interest Only Period**") upon achieving one or more milestones or other thresholds, which milestones or thresholds have not yet been achieved as of the Deferral Agreement Effective Date, by execution of the Deferral Agreement, Borrower agrees that (a) the six (6) month extension of the Interest Only Period provided for by this Deferral Agreement shall supersede and replace any and all extensions of the Interest Only Period set forth in the Loan Agreement, and (b) any and all extensions of the Interest Only Period set forth in the Loan Agreement as of the Deferral Agreement Effective Date are hereby void, and shall be of no further force and effect. Nothing herein shall be construed asa modification or amendment of the existing terms and conditions in the Loan Agreement that provide for Bank to increase availability or to make additional advances or extensions of credit to Borrower, including if such increase or additional advances or extensions of credit require Borrower to achieve the same milestone or threshold that would have previously extended the Interest Only Period prior to Borrower entering into this Deferral Agreement.

   c. The amount of each monthly payment of principal following the extension shall be the same as the amount of the scheduled monthly payment of principal prior to the Deferral Agreement Effective Date.

   d. All deferred principal payments shall continue to be secured by all Collateral granted or pledged to Bank under the Loan Documents.

4. Extension of Maturity Date. The maturity date(s) for all term loans (but not any other facilities) under the Loan Agreement that occur after the Deferral Agreement Effective Date shall be extended by six (6) months, and the corresponding definitions of such maturity dates in the Loan Agreement shall be deemed to be amended accordingly.

5. Representations and Warranties. Borrower hereby represents and warrants that (a) Borrower has the power and authority to execute and deliver to Bank the Deferral Agreement, (b) the execution and delivery to Bank by Borrower of the Deferral Agreement and the performance of Borrower's obligations under the Loan Agreement, as amended by the Deferral Agreement, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made and (c) the Deferral Agreement has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws and equitable principals relating to or affecting creditors rights.

6. Ratification. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all Loan Documents and all security or other collateral granted to Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations and all deferred principal payments.

7. Release. For good and valuable consideration, Borrower hereby forever relieves, releases, and discharges Bank and its present or former employees, officers, directors, agents, representatives, attorneys, and each of them, from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses, actions and causes of action, of every type, kind, nature, description or character whatsoever, whether known or unknown, suspected or unsuspected, absolute or contingent, arising out of or in any manner whatsoever connected with or related to facts,

circumstances, issues, controversies or claims existing or arising from the beginning of time through and including the date of execution hereof (collectively "**Released Claims**"). Without limiting the foregoing, the Released Claims shall include any and all liabilities or claims arising out of or in any manner whatsoever connected with or related to the Loan Documents, any instruments, agreements or documents executed in connection with any of the foregoing or the origination, negotiation, administration, servicing or enforcement of any of the foregoing. Borrower expressly acknowledges and waives any and all rights under Section 1542 of the California Civil Code, which provides that:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

By entering into this release, Borrower recognizes that no facts or representations are ever absolutely certain and it may hereafter discover facts in addition to or different from those which it presently knows or believes to be true, but that it is the intention of Borrower hereby to fully, finally and forever settle and release all matters, disputes and differences, known or unknown, suspected or unsuspected; accordingly, if Borrower should subsequently discover that any fact that it relied upon in entering into this release was untrue, or that any understanding of the facts was incorrect, Borrower shall not be entitled to set aside this release by reason thereof, regardless of any claim of mistake of fact or law or any other circumstances whatsoever. Borrower acknowledges that it is not relying upon and has not relied upon any representation or statement made by Bank with respect to the facts underlying this release or with regard to any of such party's rights or asserted rights. This release may be pleaded as a full and complete defense and/or as a cross-complaint or counterclaim against any action, suit, or other proceeding that may be instituted, prosecuted or attempted in breach of this release. Borrower acknowledges that the release contained herein constitutes a material inducement to Bank to enter into the Deferral Agreement, and that Bank would not have done so but for Bank's expectation that such release is valid and enforceable in all events. Borrower hereby represents and warrants to Bank, and Bank is relying thereon, that (a), except as expressly stated herein, neither Bank nor any agent, employee or representative of Bank has made any statement or representation to Borrower regarding any fact relied upon by Borrower in entering into the Deferral Agreement, (b) Borrower has made such investigation of the facts pertaining hereto and all of the matters appertaining thereto, as it deems necessary; (c) the terms hereof are contractual and not a mere recital; (d) the Deferral Agreement has been carefully read by Borrower, the contents hereof are known and understood by Borrower, and the Deferral Agreement is signed freely, and without duress, by Borrower and(e) Borrower represents and warrants that it is the sole and lawful owner of all right, title and interest in and to every claim and every other matter which it releases herein, and that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm or entity any claims or other matters herein released. Borrower shall indemnify Bank, defend and hold it harmless from and against all claims based upon or arising in connection with prior assignments or purported assignments or transfers of any claims or matters released herein.

8. Full Force and Effect; Limitations of Deferral Agreement. Other than as expressly provided in the Deferral Agreement, the terms of the Loan Agreement remain in full force and effect. Bank's agreement to defer principal payments pursuant to the Deferral Agreement in no way shall constitute a waiver of or forbearance from any existing defaults under any of the Loan Documents, nor shall it obligate Bank to defer any future payments or waive or forbear from any future defaults under any of the Loan Documents. Nothing in the Deferral Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Loan Documents, unless the party is expressly released by Bank in writing. No maker will be released by virtue of the Deferral Agreement.

9. Miscellaneous.

   a. The Deferral Agreement may be executed and delivered in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

b. The words "execution," "signed," "signature" and words of like import in any Loan Document, including the Deferral Agreement, shall be deemed to include electronic signatures, including any Electronic Signature as defined in the Electronic Transactions Law (2003 Revision) of the Cayman Islands (the "**Cayman Islands Electronic Signature Law**"), or the keeping of records in electronic form, including any Electronic Record, as defined in Cayman Islands Electronic Signature Law, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Cayman Islands Electronic Signature Law; provided, however that sections 8 and 19(3) of the Cayman Islands Electronic Signature Law shall not apply to this Deferral Agreement or the execution or delivery thereof.

c. The Deferral Agreement shall be effective as of the Deferral Agreement Effective Date.

d. The Deferral Agreement is a Loan Document and will be construed, interpreted, and applied in accordance with the laws of the jurisdiction whose laws govern the Loan Agreement (excluding its body of law controlling conflicts of law). Each party to the Deferral Agreement submits to the jurisdiction of the same state and federal courts to which it submitted under the Loan Agreement.

e. In the event of any action or proceeding to enforce the Deferral Agreement, Bank shall be entitled to recover from Borrower its attorneys' fees and expenses, disbursements and court costs.

[End of Terms and Conditions – Annex and Consent and Ratification Follow]

Additional Borrowers

Deferral Agreement Effective Date: April 6 , 2020

Borrower: Silverback Therapeutics, Inc.

This Annex forms a part of the Deferral Agreement dated as of the date indicated above between Silicon Valley Bank and Borrower, as defined above. Capitalized terms used but not defined in this Annex shall have the meanings ascribed to them in the Deferral Agreement.

Each of the undersigned (collectively, the "**Additional Borrowers**") is a party to the Loan Agreement and hereby agrees to the terms and conditions set forth in the Deferral Agreement. Upon its execution hereof, each Additional Borrower shall be deemed to be a party to the Deferral Agreement.

By:	By:
Name	Name
Title	Title
By:	By:
Name	Name
Title	Title
By:	By:
Name	Name
Title	Title
By:	By:
Name	Name
Title	Title

This Consent and Ratification should be signed only to the extent that the Deferral Agreement to which it is attached indicates that it is applicable. Otherwise, this Consent and Ratification is not applicable and void and the following signature blocks should be left blank.

Each of the undersigned, in its capacity as a guarantor or pledgor of the Obligations under the Loan Agreement and the other Loan Documents, acknowledges receipt of the Deferral Agreement. Each of the undersigned further: (i) consents to the Deferral Agreement and the transactions and agreements contemplated thereby; (ii) reaffirms and acknowledges its continuing obligations under the guaranty, pledge agreement or other Loan Document(s) to which it is a party, and that such obligations remain in full force and effect; and (iii) acknowledges that Bank may, but shall be under no obligation to, obtain from the undersigned from time to time further acknowledgment of its continuing obligation under such agreement(s) or with respect to any extension of the time for payment of the Obligations or of any amendment of the terms thereof, waiver of any default, or forbearance in the exercise of any remedy afforded Bank by the terms of such Obligations or by law.

By:	By:
Name	Name
Title	Title
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