As filed with the Securities and Exchange Commission on February 9, 2021.

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

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

ONCORUS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
2834
(Primary Standard Industrial Classification Code Number)
47-3779757
(I.R.S. Employer Identification Number)

50 Hampshire Street, Suite 401
Cambridge, Massachusetts 02139
Tel: (857) 320-6400
(Address, including zip code, and telephone number, including area code, of registrant’s principal executive offices)

Theodore (Ted) Ashburn, M.D., PhD.
President and Chief Executive Officer
Oncorus, Inc.
50 Hampshire Street, Suite 401
Cambridge, Massachusetts 02139
Tel: (857) 320-6400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Boston, Massachusetts 02116
(617) 937-2300

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Rosemary G. Reilly
Jeffries L. Oliver-Li
Wilmer Cutler Pickering Hale and Dorr LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007
(212) 230-8800

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, as amended, 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, 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 in Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

<table>
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<tr>
<th>TITLE OF SECURITIES BEING REGISTERED</th>
<th>PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)</th>
<th>AMOUNT OF REGISTRATION FEE</th>
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<td>Common Stock, $0.0001 par value per share</td>
<td>$87,500,000</td>
<td>$9,546.25</td>
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(1) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the offering price of additional shares that the underwriters have the option to purchase.

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 that 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.
3,000,000 Shares

We are offering 3,000,000 shares of common stock.

Our common stock is listed on The Nasdaq Global Market under the symbol "ONCR." The closing price of our common stock on February 8, 2021, as reported by The Nasdaq Global Market, was $23.85 per share. The final public offering price will be determined through negotiation between us and the lead underwriters in the offering and the recent market price used throughout the prospectus may not be indicative of the actual offering price.

We are an “emerging growth company” under the federal securities laws and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and for future filings.

Investing in our common stock involves a high degree of risk. Before buying any shares, you should read carefully the discussion of the material risks of investing in our common stock under the heading “Risk Factors” starting on page 11 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission approved or disapproved of the securities that may be offered under this prospectus, nor have any of these organizations determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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<th>PER SHARE</th>
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<tr>
<td>Public offering price</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discount (1)</td>
<td>$</td>
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<tr>
<td>Proceeds, before expenses, to us</td>
<td>$</td>
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We refer you to the section of this prospectus titled “Underwriting” for additional information regarding underwriting compensation.

Delivery of the shares of common stock is expected to be made on or about , 2021.

We have granted the underwriters an option for a period of 30 days to purchase an additional 450,000 shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $ , and the total proceeds to us, before expenses, will be $ .

Jefferies Evercore ISI Piper Sandler

The date of this prospectus is , 2021.
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We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus, any amendment or supplement to this prospectus or any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus, any amendment or supplement to this prospectus or 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: We have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.
This summary highlights information contained in other parts of this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in our common stock and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, especially “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements before deciding to buy shares of our common stock. Unless the context requires otherwise, references in this prospectus to “Oncorus,” “the company,” “we,” “us” and “our” refer to Oncorus, Inc.

Overview
We are a clinical stage biopharmaceutical company focused on developing next-generation, systemically active viral immunotherapies to transform outcomes for cancer patients. Using our two distinct proprietary platforms, we are developing a pipeline of intratumorally and intravenously administered product candidates designed to selectively attack and kill tumor cells and stimulate multiple arms of the immune system against tumors. Our lead product candidate, ONCR-177, is an intratumorally administered viral immunotherapy based on our oncolytic HSV-1 platform, referred to as our oHSV Platform, which leverages the Herpes Simplex Virus type 1, or HSV-1, a virus which has been clinically proven to effectively treat certain cancers. Utilizing this proprietary platform, we are engineering our product candidates, such as ONCR-177, to carry greater numbers of immunostimulatory transgenes than viral immunotherapies that are either currently approved or in clinical development. These transgenes are designed to drive strong systemic anti-tumor immunity to elicit tumor responses at injected tumor sites and distant non-injected tumor sites, or abscopal activity. In addition, viruses from our oHSV Platform maintain full viral replication competency in tumors and are designed to be selectively attenuated in healthy tissues. We believe this unique combination of features allows us to break the safety versus potency trade-off that has generally limited the viral immunotherapy field to date. We are also developing a broad pipeline of product candidates that leverages our second platform, which we refer to as our Synthetic Platform. This platform aims to enable repeat intravenous administration of viral immunotherapies in order to treat cancers that are less amenable to intratumoral injection due to safety and feasibility reasons, such as cancers of the lung.

We have initiated and begun dosing patients in a Phase 1 clinical trial of ONCR-177 in patients with several different types of solid tumors, including breast cancers and cutaneous tumors. We expect to report preliminary data from this trial in multiple data readouts beginning in the second half of 2021 through the second half of 2022. We also have additional preclinical stage oHSV programs in development that address both intratumoral and intravenous solutions to other unmet medical needs, including a program designed to target brain cancer through intratumoral injection, which we refer to as ONCR-GBM. We expect to nominate a clinical candidate for this program in the second half of 2021.

We designed ONCR-177 to overcome the limitations of existing viral immunotherapies by enhancing abscopal activity and potency. In addition to its ability to cause immunogenic cell death by way of viral oncolysis, ONCR-177 is armed with five immunostimulatory transgenes: IL-12, CCL4, FLT3LG, a PD-1 antagonist nanobody, and a CTLA-4 antagonist monoclonal antibody (which has the same amino acid sequence as ipilimumab). In multiple preclinical models of cancer, immune cells activated by ONCR-177 and its encoded payloads drive anti-tumor responses both in injected tumors and non-injected tumors. We also designed ONCR-177 to replicate and express transgenes only in tumor cells while disabling its effects on healthy tissues. In multiple preclinical cancer models we observed that these anti-tumor activities of ONCR-177 are achieved without either the systemic release of cytokines that can be associated with toxicity or significant presence of the virus in non-injected tumors or in the circulation, in addition to favorable tolerability when administered via intravenous and intratumoral injection in a validated murine model of HSV-1 infection.
We intend to develop ONCR-177 for multiple indications. Our ongoing Phase 1 dose escalation clinical trial of ONCR-177 is currently enrolling patients with several types of solid tumors, including breast cancers, such as triple negative and hormone receptor-positive breast cancers; squamous cell carcinomas of head and neck, or SCCHN; and cutaneous tumors, including melanoma and non-melanoma skin cancers. We also plan to enroll patients with tumors that have spread to the liver, such as metastases from microsatellite stable colorectal cancer, or MSS CRC. We intend to investigate ONCR-177 in our Phase 1 clinical trial both as monotherapy and in combination with the immune checkpoint inhibitor pembrolizumab, which is marketed by Merck under the brand name KEYTRUDA. In July 2020, we entered into a clinical trial collaboration and supply agreement with Merck under which we are conducting the combination arm of the trial in partnership with Merck and Merck is supplying pembrolizumab for the trial with no financial obligation to us.

Our initial clinical development of ONCR-177 is focusing on patients with tumors with low levels of infiltrated immune cells, which are referred to as cold tumors, and who would not be expected to respond to current immunotherapies, as well as patients with tumors infiltrated with high levels of immune cells, or hot tumors, who have not responded to, or progressed after treatment with, immune checkpoint inhibitors. Once we determine a recommended Phase 2 dose, or RP2D, for ONCR-177, we intend to continue its clinical development through focused expansion cohorts. The expansion cohorts are intended to enable us to obtain further safety, biomarker and clinical activity data that will guide our future clinical development. Given its anticipated safety profile and ability to stimulate multiple arms of the immune system to attack cancer systemically, we also believe that ONCR-177 has potential in pre-surgical, or neoadjuvant, settings. We intend to enroll additional cohorts of patients with early-stage breast cancer once the RP2D for ONCR-177 in the Phase 1 clinical trial has been determined.

Our Synthetic Platform is designed to avoid the rapid clearance of the virus from the circulation by neutralizing antibodies, which have hindered the clinical effectiveness of current intravenously administered viral immunotherapies. The viruses we develop under our Synthetic Platform are designed to deliver engineered viral genomes encapsulated within a lipid nanoparticle, or LNP. We believe this approach will avoid rapid immune clearance from circulation and enable repeat administration. We have established preclinical proof of concept for two synthetic viral immunotherapies, based on coxsackievirus A21, or CVA21 and Seneca Valley Virus, or SVV. These viruses have been studied extensively by others in clinical trials in which they have been administered intravenously and shown to be well tolerated. However, patients in these trials developed neutralizing antibodies leading to rapid clearance of the virus from circulation. Our lead Synthetic Platform product candidate, based on a potency-optimized CVA21 strain, is intended to be administered intravenously for the treatment of non-small cell lung cancer, or NSCLC, among other potential indications, including melanoma and bladder cancer. We are also developing a second synthetic program, which is based on SVV, that is intended to be administered intravenously, for the treatment of small cell lung cancer, or SCLC, treatment-emergent small cell neuroendocrine prostate cancer, or t-SCNC, and other neuroendocrine tumors. These synthetic viral immunotherapy programs, referred to as Synthetic CVA21 and Synthetic SVV, respectively, are currently in preclinical development. We intend to nominate clinical candidates in our Synthetic CVA21 and Synthetic SVV programs for development in the first half of 2021.

We believe the therapies that we are developing will bring significant benefit to many patients who are currently underserved by approved immuno-oncology therapies, including other viral immunotherapies and immune checkpoint inhibitors.

Our company was co-founded by a team including MPM Capital executive partner Mitchell Finer, Ph.D., who has three decades of experience in cancer immunotherapy, cell and gene therapy and regenerative medicine. Dr. Finer previously served as our chief executive officer and chief scientific officer and currently serves as our Executive Chairman. Our oHSV portfolio is based upon the work of renowned scientist Professor Joseph Glorioso III, Ph.D., who is chairman of our scientific advisory board. Professor Glorioso has conducted over four decades of research related to the basic biology and genetics of herpes simplex virus and is a pioneer in the design and application of HSV-1 gene vectors.
We have assembled a seasoned leadership team with extensive experience in developing and manufacturing oncology therapies, including advancing product candidates from preclinical research through clinical development and commercialization. Our President and Chief Executive Officer, Theodore (Ted) Ashburn, M.D., Ph.D., was previously Head of Oncology Development at Moderna Therapeutics, Inc. and Global Head of Leukine® (rhu GM-CSF) and Elitek®/Fasturtec® (rasburicase) within Sanofi Oncology at Sanofi S.A., and also held multiple business development roles at Genzyme Corporation. Christophe Quéva, Ph.D., our Chief Scientific Officer and Senior Vice President, Research, previously served as chief scientific officer at iTeos Therapeutics SA. Before iTeos, he held successive senior positions at AstraZeneca, plc, Amgen, Inc. and Gilead Sciences, Inc. where he led or supported multiple drug discovery programs for oncology and inflammatory diseases, from target selection to commercial approval for small molecules and biologics. John Goldberg, M.D., our Senior Vice President, Clinical Development, is a pediatric oncologist who trained at the Dana Farber Cancer Institute with clinical development experience at both H3 Biomedicine Inc. and Agenus, Inc.

Our Pipeline

The status of our current product candidates is shown in the table below.

Our oHSV Platform—Developing the next generation of oncolytic HSV-1-based viral immunotherapy

Our lead product candidate, ONCR-177, is based on our oHSV Platform. Herpes Simplex Virus-1, or HSV-1, has emerged as the leading viral vector for immunotherapy due to its potency at killing tumor cells, large and well-studied genome, overall safety and sensitivity to acyclovir, and the regulatory approval pathway established by talimogene laherparepvec, or T-VEC. We designed our oHSV Platform to develop improved viral immunotherapies that overcome the limitations in potency and in the ability to stimulate anti-tumor immunity that have both been encountered by previous viral immunotherapies and other immuno-oncology therapies. We also intend to develop therapies derived from this platform that will address multiple types of tumors, including our ONCR-GBM program designed to treat brain cancer. Our oHSV Platform improves upon three basic characteristics of viral immunotherapies: the number of encoded transgenes, which can help drive the extent and robustness of immune responses and abscopal effects; replication competency in tumors, which determines cell killing potency; and selective replication in tumor versus normal tissues to improve potency and to help ensure an acceptable therapeutic index:

- **Greater capacity to encode transgenes to drive systemic immunostimulatory activity.** Using our proprietary technology, we are developing HSV-1-based product candidates with the ability to carry...
greater numbers of transgenes than viral immunotherapies that are either currently approved or in clinical development, which allows for greater systemic immunostimulatory activity than could otherwise be achieved.

- **Retention of full replication competency to enable high tumor-killing potency.** Using our proprietary oHSV Platform, we are developing HSV-1 based product candidates that retain their full ability to replicate in tumor cells.

- **Orthogonal safety strategies to allow tumor-specific replication.** Under our oHSV Platform, we use gene regulatory elements, known as microRNA target sequences, inserted within the genomes of viruses, and a proprietary mutation in a HSV-1 protein that prevents transport, replication and latency in neurons, as two orthogonal safety strategies to restrict viral activity to tumor cells while sparing normal tissues.

**Our Synthetic Platform—Enabling the repeat intravenous administration of viral immunotherapies**

We are currently developing two programs, based on potency optimized CVA21 strain and SVV, using our Synthetic Platform. Our Synthetic Platform is focused on designing and developing viral immunotherapy candidates that can effectively infect tumors while avoiding neutralizing antibodies thereby allowing for repeat intravenous administration. To overcome the limitations caused by neutralizing antibodies, we have developed a novel delivery strategy, in which we engineer a synthetic viral immunotherapy comprised of a synthetic viral genome encapsulated within a LNP that is intended to be less immunogenic than a natural viral capsid.

**Our Strategy**

To achieve our objective of transforming clinical outcomes for cancer patients through the development of viral immunotherapies, we intend to:

- advance ONCR-177 through clinical development both as monotherapy and in combination with immune checkpoint inhibitors, including pembrolizumab;
- advance our synthetic viral immunotherapy product candidates for repeat intravenous administration both as monotherapies and in combination with immune checkpoint inhibitors;
- continue to strengthen our position in the viral immunotherapy field through continuous product development and investments in our platforms;
- broaden and strengthen our in-house manufacturing capabilities; and
- selectively partner with leading biopharmaceutical companies to unlock the full potential of our viral immunotherapy product candidates and platforms while retaining product rights in key markets.

**Impact of the COVID-19 Pandemic on Our Business**

In March 2020, the World Health Organization declared COVID-19 a global pandemic and the United States declared a national emergency with respect to COVID-19. In response to the COVID-19 pandemic, a number of governmental orders and other public health guidance measures have been implemented across much of the United States, including in the locations of our office, clinical trial sites and third parties on whom we rely. We anticipate that our clinical development timelines could be negatively affected by COVID-19, which could materially and adversely affect our business, financial condition and results of operations. Further, we have implemented a work-from-home policy allowing employees who can work from home to do so, while those needing to work in laboratory facilities work in shifts to reduce the number of people gathered together at one time. Business travel has been suspended, and online and teleconference technology is used to meet virtually rather than in person. We have taken measures to secure our research and development project activities, while work in laboratories has been organized to reduce the risk of COVID-19 transmission. Our increased reliance on personnel working from home may negatively impact productivity, or disrupt, delay or otherwise adversely impact our business. For example, with our personnel working from home, some of our research activities that require our personnel to be in our laboratories could be delayed.
Summary of Risks Associated with Our Business

You should consider carefully the risks described under the “Risk Factors” section beginning on page 11 and elsewhere in this prospectus. The risks that could be materially and adversely affect our business, financial condition, operating results and prospects include the following:

- We have a limited operating history. We have incurred significant losses since our inception and anticipate that we will incur significant and increasing losses for the foreseeable future and we may never achieve or maintain profitability.
- We will require substantial additional financing to advance the development of our product candidates, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital could force us to delay, limit, reduce or terminate our product development programs, potential commercialization efforts or other operations.
- We have never generated any revenue from product sales and may never become profitable.
- Our product candidates are in early stages of development, are not approved for commercial sale and might never receive regulatory approval or become commercially viable. We have never generated any revenue from product sales and may never be profitable.
- We currently have only one product candidate, ONCR-177, in clinical development. A failure of this product candidate in clinical development would adversely affect our business and may require us to discontinue development of other product candidates based on the same therapeutic approach.
- Public health crises such as pandemics, including the coronavirus disease, or COVID-19, or similar outbreaks could materially and adversely affect our preclinical studies and clinical trials, business, financial condition and results of operations.
- Preclinical and clinical development involve a lengthy and expensive process with an uncertain outcome, and delays can occur for a variety of reasons outside of our control.
- If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.
- Serious adverse events, undesirable side effects or other unexpected properties of our current or future product candidates may be identified during development or after approval, which could halt their development or 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.
- We anticipate that many of our product candidates will be used in combination with third-party drugs, some of which may still be in development, and we have limited or no control over the supply, regulatory status or regulatory approval of such drugs.
- 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.
- We rely, and expect to continue to rely, on third parties to conduct, supervise, and monitor our preclinical studies and clinical trials. If those third parties do not perform satisfactorily, including failing to meet deadlines for the completion of such trials or failing to comply with regulatory requirements, we may be unable to obtain regulatory approval for our product candidates or any other product candidates that we may develop in the future.
- If the manufacturers upon which we rely fail to produce any product candidates in the volumes that we require on a timely basis, or fail to comply with stringent regulations applicable to biopharmaceutical manufacturers, we may face delays in the development and commercialization of, or be unable to meet demand for, any product candidates, which may have an adverse effect on our business.
If we are unable to successfully commercialize any product candidate for which we receive regulatory approval, or experience significant delays in doing so, our business will be materially harmed.

We face significant competition from other biopharmaceutical and biotechnology companies, academic institutions, government agencies, and other research organizations, which may result in others discovering, developing or commercializing products more quickly or marketing them more successfully than us. If their product candidates are shown to be safer or more effective than ours, our commercial opportunity may be reduced or eliminated.

Even if any of our product candidates receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, hospitals, cancer treatment centers, third-party payors and others in the medical community necessary for commercial success. The revenues that we generate from their sales may be limited, and we may never become profitable.

Negative developments in the field of immuno-oncology could damage public perception of our oHSV and Synthetic Platforms and our product candidates, including ONCR-177, and negatively affect our business.

If we are unable to obtain, maintain and protect our intellectual property rights for our technology and product candidates, or if our intellectual property rights are inadequate, our competitive position could be harmed.

We are highly dependent on our key personnel, including our Chief Executive Officer, Chief Scientific Officer and Senior Vice President, Clinical Development. If we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Corporate Information

We were incorporated under the laws of the State of Delaware in April 2015. Our principal executive office is located at 50 Hampshire Street, Suite 401, Cambridge, Massachusetts 02139. Our telephone number is (857) 320-6400. Our website address is www.oncorus.com.

Information contained in, or accessible through, our website does not constitute a part of, and is not incorporated into, this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

The Oncorus logo and the name Oncorus® and other registered or common law trademarks or service marks of Oncorus, Inc. appearing in this prospectus are the property of Oncorus, Inc. Other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners. Solely for your convenience, trade names, trademarks and service marks contained in this prospectus may appear without the “®” or “™” symbols. Such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to those trade names, trademarks and service marks.

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

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

- being permitted to present in this prospectus only two years of audited financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- reduced disclosure about the compensation paid to our executive officers;
- not being required to submit to our stockholders advisory votes on executive compensation or golden parachute arrangements;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act; and
We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company.

We have elected to take advantage of the extended transition period to comply with new or revised accounting standards. As a result of the accounting standards election, we will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies which may make comparison of our financials to those of other public companies more difficult. We have also elected to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of these elections, the information that we provide in this prospectus may be different than the information you may receive from other public companies in which you hold equity interests. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in our stock price.

We are also a “smaller reporting company,” meaning that the market value of our stock held by non-affiliates is less than $700.0 million and our annual revenue is less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.
# THE OFFERING

<table>
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<th>Description</th>
<th>Details</th>
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<td>Common stock offered by us</td>
<td>3,000,000 shares.</td>
</tr>
<tr>
<td>Common stock to be outstanding immediately after this offering</td>
<td>25,617,938 shares (or 26,067,938 shares if the underwriters exercise in full their option to purchase additional shares).</td>
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<tr>
<td>Option to purchase additional shares</td>
<td>We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to an additional 450,000 shares from us.</td>
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<td>Use of proceeds</td>
<td>We estimate that we will receive net proceeds of approximately $66.7 million (or approximately $76.7 million if the underwriters exercise in full their option to purchase additional shares), based on an assumed public offering price of $23.85 per share, which was the last reported sale price of our common stock on the Nasdaq Global Market on February 8, 2021, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to advance our clinical programs, including ONCR-177, to expand our manufacturing capabilities and for working capital purposes. See “Use of Proceeds” for additional information.</td>
</tr>
<tr>
<td>Risk factors</td>
<td>You should carefully read “Risk Factors” on page 11 of this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.</td>
</tr>
<tr>
<td>Nasdaq Global Market symbol</td>
<td>“ONCR”</td>
</tr>
</tbody>
</table>

The number of shares of our common stock to be outstanding immediately after this offering is based on 22,617,938 shares of our common stock outstanding as of December 31, 2020, which includes 17,236 shares of our common stock subject to forfeiture and our right of repurchase, but excludes:

- 2,790,746 shares of our common stock issuable upon the exercise of options outstanding as of December 31, 2020, at a weighted-average exercise price of $8.13 per share;
- 71,544 shares of common stock issuable upon the exercise of warrants to purchase shares of our common stock outstanding as of December 31, 2020, at a weighted-average exercise price of $1.21 per share;
- 2,123,440 shares of our common stock reserved for future issuance pursuant to our 2020 Equity Incentive Plan, or the 2020 Plan, as of December 31, 2020, an additional 1,130,896 shares of our common stock that were reserved for future issuance pursuant to the 2020 Plan on January 1, 2021 in accordance with the terms of the 2020 Plan, as well as any additional shares which may be reserved pursuant to provisions in our 2020 Plan that automatically increase the number of shares of common stock reserved for issuance under the 2020 Plan; and
- 280,000 shares of our common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, or ESPP, as well as any shares which may be reserved pursuant to provisions in the ESPP that automatically increase the number of shares of common stock reserved for issuance under the ESPP.

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

- no exercise of the outstanding options and warrants referred to above after December 31, 2020; and
- no exercise by the underwriters of their option to purchase additional shares of our common stock.
SUMMARY FINANCIAL DATA

The following tables set forth our summary financial data. The summary consolidated statement of operations data presented below for the years ended December 31, 2018 and 2019 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statement of operations data presented below for the nine months ended September 30, 2019 and 2020 and the summary consolidated balance sheet data as of September 30, 2020 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in any future period, and results for the nine-month period ended September 30, 2020, are not necessarily indicative of the results to be expected for the full year ended December 31, 2020.

When you read this summary financial data, it is important that you read it together with the historical consolidated financial statements and related notes to those statements, as well as the sections of this prospectus titled “Selected Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th></th>
<th>YEAR ENDED DECEMBER 31</th>
<th>NINE MONTHS ENDED SEPTEMBER 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$12,541</td>
<td>$24,047</td>
</tr>
<tr>
<td>General and administrative</td>
<td>6,037</td>
<td>7,119</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>18,578</td>
<td>31,166</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(18,578)</td>
<td>(31,166)</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>532</td>
<td>462</td>
</tr>
<tr>
<td>Net loss and comprehensive loss</td>
<td>($18,046)</td>
<td>($30,704)</td>
</tr>
<tr>
<td>Accretion of discount and dividends on redeemable convertible preferred stock</td>
<td>(98)</td>
<td>(4,287)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>($18,144)</td>
<td>($34,991)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders—basic and diluted (1)</td>
<td>($22.88)</td>
<td>($37.42)</td>
</tr>
<tr>
<td>Weighted-average number of common shares outstanding—basic and diluted (1)</td>
<td>793</td>
<td>935</td>
</tr>
</tbody>
</table>

1. See Note 2 and Note 12 to our annual consolidated financial statements and Note 2 and Note 10 to our interim consolidated financial statements included elsewhere in this prospectus for a description of the method used to calculate basic and diluted net loss per share.
## Consolidated Balance Sheet Data

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>PRO FORMA (1)</th>
<th>PRO FORMA AS ADJUSTED (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$54,019</td>
<td>$144,387</td>
<td>$211,044</td>
</tr>
<tr>
<td>Working capital (3)</td>
<td>50,463</td>
<td>141,775</td>
<td>208,432</td>
</tr>
<tr>
<td>Total assets</td>
<td>62,059</td>
<td>150,920</td>
<td>217,577</td>
</tr>
<tr>
<td>Redeemable convertible preferred stock</td>
<td>173,888</td>
<td>—</td>
<td>217,577</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(118,257)</td>
<td>(118,257)</td>
<td>(118,257)</td>
</tr>
<tr>
<td>Total stockholders’ (deficit) equity</td>
<td>(118,257)</td>
<td>145,436</td>
<td>212,093</td>
</tr>
</tbody>
</table>

1. Pro forma amounts give effect to (i) the automatic conversion of all of our outstanding shares of convertible preferred stock into shares of our common stock upon the initial closing of our initial public offering on October 6, 2020, and (ii) the sale of an aggregate of 6,557,991 shares in our initial public offering at a public offering price of $15.00 per share, which includes shares issued upon the partial exercise of the underwriters’ option to purchase additional shares, after deducting the underwriting discounts and commissions and offering expenses payable by us.

2. Pro forma as adjusted amounts reflect the pro forma adjustments described in footnote 1 above as well as the sale of 3,000,000 shares of our common stock in this offering at the assumed public offering price of $23.85 per share, which was the last reported sale price of our common stock on the Nasdaq Global Market on February 8, 2021, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

3. We define working capital as current assets less current liabilities.

The pro forma as adjusted information set forth above is illustrative only and will change based on the actual public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed public offering price would increase or decrease pro forma as adjusted cash and cash equivalents, working capital, total assets and total stockholders’ (deficit) equity by approximately $2.8 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 estimated underwriting discounts and commissions payable by us. We may also increase or decrease the number of shares we are offering. Each 1,000,000 share increase or decrease in the number of shares offered by us would increase or decrease pro forma as adjusted cash and cash equivalents, working capital, total assets and total stockholders’ (deficit) equity by approximately $22.4 million, assuming that the assumed public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.
RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and the related notes appearing at the end of this prospectus and “Management’s Discussion and Analysis of Results of Operations and Financial Condition,” before deciding whether to purchase shares of our common stock. If any of the following risks are realized, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history. We have incurred significant losses since our inception and anticipate that we will incur significant and increasing losses for the foreseeable future and we may never achieve or maintain profitability.

We have a limited operating history, and we are early in our development efforts. Since our inception in April 2015, we have incurred significant operating losses. Our net loss was $18.0 million and $30.7 million for the years ended December 31, 2018 and 2019, respectively, and $36.7 million for the nine months ended September 30, 2020. As of September 30, 2020, we had an accumulated deficit of $118.3 million. Since inception, we have devoted substantially all of our financial resources and efforts to organizing and staffing our company, business planning, raising capital, acquiring and developing our technology, establishing our intellectual property portfolio, identifying potential product candidates and undertaking preclinical studies, commencing a clinical trial and manufacturing. We are still in the early stages of development of our product candidates, and we have not completed development of any products. We expect to continue to incur significant and increasing operating losses for the foreseeable future. We expect that it will be several years, if ever, before we have a commercialized product. The net losses we incur may fluctuate significantly from quarter to quarter and year to year. We anticipate that our expenses will increase substantially if, and as, we:

- advance the clinical trial for our lead product candidate, ONCR-177;
- continue the ongoing and planned preclinical and clinical development of our other development programs;
- discover and develop new product candidates, and conduct research and development activities, preclinical studies and clinical trials;
- initiate preclinical studies and clinical trials for any additional product candidates that we may pursue in the future;
- manufacture preclinical, clinical and commercial supplies of our product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- maintain, expand and protect our intellectual property portfolio;
- hire additional research and development, clinical, scientific and management personnel;
- add operational, financial and management information systems and personnel;
- ultimately establish a sales, marketing and distribution infrastructure to commercialize any product candidate for which we may obtain regulatory approval and we commercialize on our own or in collaboration with others; and
- incur additional legal, accounting and other expenses operating as a newly public company.

To become and remain profitable, we must succeed in developing and eventually commercializing products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials, obtaining regulatory approval for product candidates and manufacturing, marketing and selling products for which we may obtain marketing approval and satisfying any post-marketing requirements. We are only in the preliminary stages of most of these activities. We may never succeed in these activities and, even if we do, may never generate revenue that is significant enough to achieve profitability.

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Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We will require substantial additional financing to advance the development of our product candidates, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital could force us to delay, limit, reduce or terminate our product development programs, potential commercialization efforts or other operations.

The development of biopharmaceutical product candidates is capital-intensive. Our operations have consumed substantial amounts of cash since inception. As of September 30, 2020, our cash and cash equivalents were $54.0 million. In October 2020, we completed an IPO that provided net proceeds of approximately $88.3 million. We expect to continue to spend substantial amounts to continue the preclinical and clinical development of our current and future programs. If we are able to gain marketing approval of any product candidate that we develop, including ONCR-177, we will require significant additional amounts of cash in order to launch and commercialize such product either alone or in collaboration with others. Because the design and outcome of our ongoing, anticipated and any future clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any product candidate we develop.

Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing ONCR-177 and our other product candidates and programs, and of conducting preclinical studies and clinical trials and any delays related to the COVID-19 pandemic;
- the timing of, and the costs involved in, obtaining marketing approvals for ONCR-177 and future product candidates we develop if clinical trials are successful;
- the success of any future collaborations;
- the cost of commercialization activities for any approved product, including marketing, sales and distribution costs;
- the cost and timing of establishing, equipping, and operating our planned manufacturing activities;
- the cost of manufacturing ONCR-177 and future product candidates for clinical trials in preparation for marketing approval and commercialization;
- our ability to establish and maintain strategic licensing or other arrangements and the financial terms of such 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 ability to establish and maintain healthcare coverage and adequate reimbursement for our future products, if any;
- the timing, receipt, and amount of sales of, or royalties on, our future products, if any;
- the emergence of competing cancer therapies and other adverse market developments; and
- the impact of the COVID-19 pandemic, which may exacerbate the magnitude of the factors discussed above.

We do not have any committed external source of funds or other support for our development efforts. Until we can generate sufficient product revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of public or private equity offerings and debt financings, or other sources such as potential collaborations, strategic alliances, licensing arrangements and other arrangements. Based on our research and development plans, we expect that the net proceeds from this offering, together with our existing cash and cash equivalents, including the net proceeds from the initial public offering of our common stock in October 2020, or the IPO, will enable us to fund our planned operating expenses and capital expenditure requirements into late 2023. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. In addition, because the design and outcome of our clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of ONCR-177 or any future product candidates.
The net proceeds of this offering, together with our existing cash and cash equivalents, and the proceeds from the IPO, will not be sufficient to complete development of ONCR-177 or any other product candidate. Accordingly, we will be required to obtain further funding to achieve our business objectives. Adequate additional funding may not be available to us on acceptable terms, or at all. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic. If we are unable to raise additional funding in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue our research and development initiatives. We could also be required to seek collaborators for our product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available or relinquish or license on unfavorable terms our rights to our product candidates in markets where we otherwise would seek to pursue development or commercialization ourselves. Any of these events could significantly harm our business, prospects, financial condition and results of operations and cause the price of our common stock to decline.

We have never generated any revenue from product sales and may never become profitable.

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with future partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, our development programs. We have no products approved for commercial sale, have not generated any revenue from product sales, and do not anticipate generating any revenue from product sales until after we have received marketing approval for the commercial sale of a product candidate, if ever. Our ability to generate revenue and achieve profitability depends heavily on our success in achieving a number of goals, including:

- completing research regarding preclinical and clinical development of product candidates and programs, including ONCR-177, and identifying and developing new product candidates;
- obtaining marketing approvals for any product candidates for which we complete clinical trials;
- developing a sustainable and scalable manufacturing process for ONCR-177 and future product candidates, including establishing and maintaining supply and manufacturing relationships with third parties;
- launching and commercializing product candidates for which we obtain marketing approvals, either directly by establishing a sales force and marketing, medical affairs and distribution infrastructure or, alternatively, with a collaborator or distributor;
- establishing and maintaining healthcare coverage and adequate reimbursement for our future products, if any;
- obtaining market acceptance of product candidates that we develop as viable treatment options;
- addressing any competing technological and market developments;
- identifying, assessing, acquiring and developing new product candidates;
- negotiating favorable terms in any collaboration, licensing, or other arrangements into which we may enter and performing our obligations in such collaborations;
- maintaining, protecting, and expanding our portfolio of intellectual property rights, including patents, trade secrets, and know-how; and
- attracting, hiring, and retaining qualified personnel.

Even if ONCR-177 or any future product candidates that we develop are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any such product candidate that we commercialize on our own or in collaboration with others. Our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration, or FDA, or comparable foreign regulatory authorities, to change our manufacturing processes or assays, or to perform clinical, nonclinical, or other types of studies in addition to those that we currently anticipate.

If we are successful in obtaining regulatory approvals to market ONCR-177 or any future product candidates, our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain marketing approval, the accepted price for the product, the ability to get reimbursement at any price, and whether we own the commercial rights for that territory. If the number of our addressable patients is not as significant as we estimate, the indications approved by regulatory authorities are narrower than we expect, the labels for our product candidates
contain significant safety warnings, regulatory authorities impose burdensome or restrictive distribution requirements, or the reasonably accepted patient populations for treatment are narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved. If we are not able to generate revenue from the sale of any approved products, we could be prevented from or significantly delayed in achieving profitability.

**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.**

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders may be diluted, our fixed payment obligations may increase, any such securities may have rights senior to those of our common stock, and the terms may include liquidation or other preferences and anti-dilution protections that adversely affect the rights of our common stockholders. Any future debt financings we undertake, if available, are likely to involve restrictive covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through licensing or collaboration arrangements with third parties, we may have to relinquish valuable rights to our product candidates, or grant licenses on terms that are not favorable to us. We also could be required to seek collaborators for product candidates at an earlier stage than otherwise would be desirable or relinquish our rights to product candidates or technologies that we otherwise would seek to develop or commercialize ourselves.

Failure to obtain capital when needed on acceptable terms may force us to delay, limit or terminate our product development and commercialization of our current or future product candidates, which could have a material and adverse effect on our business, financial condition, results of operations and prospects. Securing additional financing could also require a substantial amount of time from our management and may divert a disproportionate amount of their attention away from daily activities, which may adversely affect our management’s ability to oversee the development of ONCR-177 or any future product candidates.

**Our short operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.**

We are an early-stage company. We were founded and commenced operations in 2015. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, acquiring and developing our technology, establishing our intellectual property portfolio, identifying potential product candidates and undertaking preclinical studies, commencing a clinical trial and manufacturing. All of our research programs are still in preclinical or early-stage clinical development, and their risk of failure is high. We have not yet demonstrated an ability to initiate or successfully complete any clinical trials, including large-scale, pivotal clinical trials, obtain marketing approvals, manufacture a commercial-scale therapy, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialization. Typically, it takes about 10 to 15 years to develop a new therapy from the time it is discovered to when it is available for treating patients. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history. In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays, and other known and unknown factors. We will need to transition from a company primarily focused on research and in the early stages of a clinical trial to a company capable of supporting clinical activities on a larger scale and commercial activities. We may not be successful in such a transition.

**Risks Related to Product Discovery, Development and Regulatory Approval**

**Our product candidates are in early stages of development, are not approved for commercial sale and might never receive regulatory approval or become commercially viable. We have never generated any revenue from product sales and may never be profitable.**

We are very early in our development efforts and all of our product candidates are in research, preclinical or early-stage clinical development. We have not completed the development of any product candidates, we currently generate no revenue and we may never be able to develop a marketable product. We only recently commenced clinical development of our lead product candidate, ONCR-177, in June 2020. Additionally, we have a portfolio of programs, including our two lead synthetic viral immunotherapy programs, which are based on coxsackievirus A21, or CVA21, and Seneca Valley Virus, or SVV, that are in earlier stages of discovery and preclinical development and
may never advance to clinical-stage development. Our ability to generate product revenues, which we do not expect will occur for several years, if ever, will depend on obtaining regulatory approvals for, and successfully commercializing our product candidates, either alone or in collaboration with others, and we cannot guarantee that we will ever obtain regulatory approval for any of our product candidates. Before obtaining regulatory approval for the commercial distribution of our product candidates, we, or a future collaborator, must conduct extensive preclinical tests and clinical trials to demonstrate the safety and efficacy in humans of our product candidates. The success of our current and future product candidates will depend on several factors, including the following:

- successful completion of preclinical studies and clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of INDs for our planned clinical trials or future clinical trials;
- successful enrollment and completion of clinical trials;
- successful data from our clinical trials that support an acceptable risk-benefit profile of our product candidates in the intended populations;
- receipt of regulatory and marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- making arrangements with third-party manufacturers for, or establishing, clinical and commercial manufacturing capabilities;
- successfully launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- acceptance of any products we develop and their benefits and uses, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors; and
- maintaining a continued acceptable safety profile of the products following approval.

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

We currently have only one product candidate, ONCR-177, in clinical development. A failure of this product candidate in clinical development would adversely affect our business and may require us to discontinue development of other product candidates based on the same therapeutic approach.

We have invested a significant portion of our efforts and financial resources in our oncolytic platform, referred to as our oHSV Platform, and our synthetic viral platform and, in particular, in the development of our lead product candidate, ONCR-177. We commenced clinical trials of ONCR-177 in June 2020.

We have only submitted an IND application with respect to one product candidate, ONCR-177, and we have not previously submitted a Biologics License Application, or BLA, to the FDA, or similar regulatory approval filings to comparable foreign authorities, for any product candidate, and we cannot be certain that our product candidates will be successful in clinical trials or receive regulatory approval. Further, our product candidates may not receive regulatory approval even if they are successful in clinical trials.

Since ONCR-177 is based on our oHSV Platform, if ONCR-177 fails in development as a result of any underlying problem with our oHSV Platform, then we may be required to discontinue development of all product candidates that are based on this therapeutic approach. If we were required to discontinue development of ONCR-177 or our other future product candidates, or if any of them were to fail to receive regulatory approval or achieve sufficient market acceptance, we could be prevented from or significantly delayed in achieving profitability. We can provide no assurance that we would be successful at developing other product candidates based on an alternative therapeutic approach.
Our product candidates are based on a novel approach to the treatment of cancer, which makes it difficult to predict the time and cost of product candidate development.

We have concentrated all of our research and development efforts on product candidates based on our oHSV Platform and synthetic platform, each of which is novel. Our Synthetic Platform has not yet produced a product candidate that has been tested in clinical trials and we only recently commenced clinical development of ONCR-177, which is based on our oHSV Platform. Our future success depends on the successful development of these platforms. There can be no assurance that any development problems we experience in the future will not cause significant delays or unanticipated costs, or that such development problems can be solved. Should we encounter development problems, including unfavorable preclinical or clinical trial results, the FDA or foreign regulatory authorities may refuse to approve our product candidates, or may require additional information, tests, or trials, which could significantly delay product development and significantly increase our development costs. Moreover, even if we are able to provide the requested information or trials to the FDA, there would be no guarantee that the FDA would accept them or approve our product candidates. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process, or developing or qualifying and validating product release assays, other testing and manufacturing methods, and our equipment and facilities in a timely manner, which may prevent us from completing our clinical trials or commercializing our product candidates on a timely or profitable basis, if at all.

In addition, the clinical trial requirements of the FDA and comparable foreign regulatory authorities 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 FDA and comparable foreign regulatory authorities have limited experience with the approval of viral immunotherapies. There are only three viral immunotherapies approved globally, H101, Rigvir, and talimogene laherparepvec, or T-VEC, and only T-VEC has received FDA approval to date. Any viral immunotherapies that are approved may be subject to extensive post-approval regulatory requirements, including requirements pertaining to manufacturing, distribution and promotion. We may need to devote significant time and resources to compliance with these requirements.

Preclinical and clinical development involve a lengthy and expensive process with an uncertain outcome, and delays can occur for a variety of reasons outside of our control.

In order to obtain FDA approval to market a new biological product, we must demonstrate proof of safety, purity and potency or efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States. We only have one product candidate currently being evaluated in clinical development, ONCR-177. The rest of our programs are in preclinical development, have not yet been evaluated in IND-enabling studies and their risk of failure is high. We cannot be certain of the timely completion or outcome of our preclinical testing and studies or clinical trials and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies or clinical trials will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin and we cannot be sure that our planned clinical trials will begin on time or that our ongoing clinical trials will be completed on schedule.

Conducting preclinical testing and clinical development is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are directly conducting preclinical testing and studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the preclinical testing and studies of certain programs that are the responsibility of any potential future partners over which we have no control. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including, for example:

- inability to generate sufficient preclinical or other in vivo or in vitro data to support the initiation of clinical trials;
- unexpected toxicities observed in preclinical IND-enabling studies precluding the identification of a safe dose to move forward in human clinical trial;
We may experience delays in initiating or completing clinical trials. We also may experience numerous unforeseen events during, or as a result of, any ongoing or future clinical trials that we could conduct that could delay or prevent our ability to receive marketing approval or commercialize ONCR-177 or any future product candidates, including:

- delays or failures related to the COVID-19 pandemic, which may result in clinical site closures, delays to patient enrollment, patients discontinuing their treatment or follow up visits or changes to trial protocols;
- regulators or institutional review boards, or IRBs, may not authorize us or our investigators to commence a clinical trial, conduct a clinical trial at a prospective trial site, or amend trial protocols, or may require that we modify or amend our clinical trial protocols;
- we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites and/or contract research organizations, or CROs;
- clinical trials of our product candidates may produce negative or inconclusive results, or our studies may fail to reach the necessary level of statistical significance, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or be lost to follow-up at a higher rate than we anticipate, or may elect to participate in alternative clinical trials sponsored by our competitors with product candidates that treat the same indications as our product candidates;
- third-party contractors may fail to comply with regulatory requirements or the clinical trial protocol, or meet their contractual obligations to us in a timely manner, or at all, or we may be required to engage in additional clinical trial site monitoring;
- manufacturing delays;
- we, regulators, or IRBs may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks, undesirable side effects, or other unexpected characteristics of the product candidate, or due to findings of undesirable effects caused by a chemically or mechanistically similar therapeutic or therapeutic candidate;
- changes could be adopted in marketing approval policies during the development period, rendering our data insufficient to obtain marketing approval;
- statutes or regulations could be amended or new ones could be adopted;
- changes could be adopted in the regulatory review process for submitted product applications;
- the cost of clinical trials of our product candidates may be greater than we anticipate or we may have insufficient funds for a clinical trial or to pay the substantial user fees required by the FDA upon the submission of a BLA or equivalent authorizations from comparable foreign regulatory authorities;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies;
- we may decide, or regulators may require us, to conduct or gather, as applicable, additional clinical trials, analyses, reports, data, or preclinical trials, or we may abandon product development programs;
- we may fail to reach an agreement with regulators or IRBs regarding the scope, design, or implementation of our clinical trials, and the FDA or comparable foreign regulatory authorities may require changes to our study designs that make further study impractical or not financially prudent;
- regulators may ultimately disagree with the design or our conduct of our preclinical studies or clinical trials, finding that they do not support product candidate approval;
we may have delays in adding new investigators or clinical trial sites, or we may experience a withdrawal of clinical trial sites;

patients that enroll in our studies may misrepresent their eligibility or may otherwise not comply with the clinical trial protocol, resulting in the need to drop the patients from the study or clinical trial, increase the needed enrollment size for the clinical trial or extend its duration;

there may be regulatory questions or disagreements regarding interpretations of data and results, or new information may emerge regarding our product candidates;

the FDA or comparable foreign regulatory authorities may disagree with our trial design, including endpoints, or our interpretation of data from preclinical studies and clinical trials or find that a product candidate’s benefits do not outweigh its safety risks;

the FDA or comparable foreign regulatory authorities may not accept data from studies with clinical trial sites in foreign countries;

the FDA or comparable foreign regulatory authorities may disagree with our intended indications;

the FDA or comparable foreign regulatory authorities may fail to approve or subsequently find fault with the manufacturing processes or our manufacturing facilities for clinical and future commercial supplies;

the data collected from clinical trials of our product candidates may not be sufficient to the satisfaction of the FDA or comparable foreign regulatory authorities to support the submission of a BLA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the United States or elsewhere;

the FDA or comparable foreign regulatory authorities may take longer than we anticipate to make a decision on our product candidates; and

we may not be able to demonstrate that a product candidate provides an advantage over current standards of care or current or future competitive therapies in development.

Our product development costs will also increase if we experience delays in clinical testing or marketing approvals, and we may not have sufficient funding to complete the testing and approval process for any of our current or future product candidates. We may be required to obtain additional funds to complete clinical trials and prepare for possible commercialization of our product candidates. We do not know whether any preclinical tests or clinical trials beyond what we currently have planned will be required, will begin as planned, will need to be restructured, or will be completed on schedule or at all. Significant delays relating to any preclinical studies or clinical trials also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates and may harm our business and results of operations. In addition, many of the factors that cause, or lead to, delays in clinical trials may ultimately lead to the denial of marketing approval of any of our product candidates. Any delays in our clinical development programs may harm our business, financial condition and results of operations significantly.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or foreign regulatory authorities. In addition, some of our competitors may have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors’ product candidates.

Patient enrollment is affected by other factors, including:

- availability and efficacy of approved therapies for the disease under investigation;
- patient eligibility criteria for the trial in question;
- risks that enrolled subjects will drop out before completion of the trial, including as a result of contracting COVID-19 or other health conditions or being forced to quarantine;
- perceived risks and benefits of the product candidate under study;
- efforts to facilitate timely enrollment in clinical trials;
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- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- proximity and availability of clinical trial sites for prospective patients.

Our inability to enroll a sufficient number of patients for our anticipated and any future clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which could have an adverse effect on our business, financial condition, results of operations, and prospects. In addition, disruptions caused by the COVID-19 pandemic may increase the likelihood that we encounter patient enrollment difficulties.

Results of preclinical studies and early clinical trials may not be predictive of results of future clinical trials.

For our lead product candidate, ONCR-177, we commenced a clinical trial in June 2020, while other product candidates that may be generated from both our oHSV Platform and our synthetic viral platform are in preclinical development. We will be required to conduct additional clinical trials of ONCR-177 before we can submit a marketing application to the applicable regulatory authorities. Clinical development is expensive and can take many years to complete and its outcome is inherently uncertain. ONCR-177 may not perform as we expect in clinical trials, may ultimately have a different or no impact on tumors, may have a different mechanism of action than we expect and may not ultimately prove to be safe and effective.

The results of early clinical trials of ONCR-177 and results of preclinical studies or early clinical trials of any other product candidate we develop, may not be predictive of the results of later-stage clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in earlier development, and we could face similar setbacks. The design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We have limited experience in designing clinical trials and may be unable to design and execute a clinical trial to support marketing approval. In addition, preclinical and clinical data are often susceptible to varying interpretations and analyses. Many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval for the product candidates. Even if we, or future collaborators, believe that the results of clinical trials for our product candidates warrant marketing approval, the FDA or comparable foreign regulatory authorities may disagree and may not grant marketing approval of our product candidates.

In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. Moreover, should there be an issue with the design of any of our clinical trials, our results may be impacted. We may not discover such a flaw until the clinical trial is at an advanced stage.

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

From time to time, we may publish interim topline or preliminary data from clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary or topline data previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Adverse differences between interim or preliminary or topline data and final data could significantly harm our reputation and business prospects.

Serious adverse events, undesirable side effects or other unexpected properties of our current or future product candidates may be identified during development or after approval, which could halt their development or 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 not tested any product candidate in humans, other than ONCR-177. The Phase 1 clinical trial for ONCR-177 commenced in June 2020 and we expect to report preliminary data in multiple data readouts beginning
We have tested mONCR-177, a mouse version of ONCR-177 in IND-enabling studies conducted in mice, and the most common treatment-related toxicity we have observed to date is low severity lymphocyte hyperplasia in the spleen. Reversible body weight loss was observed after intravenous and intratumoral injection, particularly following the initial administration at the highest dose level. As we continue our development of ONCR-177 and initiate clinical trials of any future product candidates, serious adverse events, undesirable side effects 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 serious adverse events, undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Even if our product candidates initially show promise in early clinical trials, the side effects of therapies are frequently only detectable after they are tested in large, phase 3 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 and are determined to be attributed to our product candidates, the FDA or comparable foreign regulatory authorities, or IRBs and other reviewing entities, may also require, or we may voluntarily develop, a Risk Evaluation and Mitigation Strategy, or REMS, or other strategies for managing adverse events during clinical development, which could include restrictions on our enrollment criteria, the use of stopping criteria, adjustments to a study's design, or the monitoring of safety data by a data monitoring committee, among other strategies. Any requests from the FDA or comparable foreign regulatory authority for additional data or information could also result in substantial delays in the approval of our product candidates.

Drug-related side effects could also affect subject recruitment or the ability of enrolled subjects to complete the trial or 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 caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

If any of our product candidates are associated with serious adverse events or undesirable side effects or have properties that are unexpected, we may need to abandon development or limit development of that product candidate to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. The therapeutic-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

We anticipate that many of our product candidates will be used in combination with third-party drugs, some of which may still be in development, and we have limited or no control over the supply, regulatory status or regulatory approval of such drugs. In addition to developing our product candidates as monotherapies, we also anticipate developing our product candidates for use in combination with immune checkpoint inhibitors. For example, we anticipate developing ONCR-177 in combination with the anti-PD-1 checkpoint inhibitor KEYTRUDA (pembrolizumab), which is being supplied by Merck in our ongoing Phase 1 clinical trial. In the future, we may enter into additional agreements for the supply of immune checkpoint inhibitors for use in connection with the development of one or more of our product candidates. Our ability to develop and ultimately commercialize our product candidates used in combination with
pembrolizumab or any other immune checkpoint inhibitors will depend on our ability to access such drugs on commercially reasonable terms for the clinical trials and their availability for use with the commercialized product, if approved. We cannot be certain that current or potential future commercial relationships will provide us with a steady supply of such drugs on commercially reasonable terms or at all.

Any failure to maintain or enter into new successful commercial relationships, or the expense of purchasing immune checkpoint inhibitors in the market, may delay our development timelines, increase our costs and jeopardize our ability to develop our product candidates as commercially viable therapies. If any of these occur, our business, financial condition, results of operations, stock price and prospects may be materially harmed.

Moreover, the development of product candidates for use in combination with another product or product candidate may present challenges that are not faced for single agent product candidates. For our product candidates that may be used in combination with immune checkpoint inhibitors, the FDA may require us to use more complex clinical trial designs in order to evaluate the contribution of each product and product candidate to any observed effects. It is possible that the results of these trials could show that any positive previous trial results are attributable to the combination therapy and not our product candidates. Moreover, following product approval, the FDA may require that products used in conjunction with each other be cross labeled for combined use. To the extent that we do not have rights to the other product, this may require us to work with a third party to satisfy such a requirement. Moreover, developments related to the other product may impact our clinical trials for the combination as well as our commercial prospects should we receive marketing approval. Such developments may include changes to the other product's safety or efficacy profile, changes to the availability of the approved product, and changes to the standard of care.

In the event that any future collaborator or supplier of immune checkpoint inhibitors administered in combination with our product candidates does not supply their products on commercially reasonable terms or in a timely fashion, we would need to identify alternatives for accessing these products. This could cause our clinical trials to be delayed and limit the commercial opportunities for our product candidates, in which case our business, financial condition, results of operations, stock price and prospects may be materially harmed.

We may not be successful in our efforts to expand our pipeline of product candidates and develop marketable products.

We expect initially to develop our lead product candidate, ONCR-177. A key part of our strategy, however, is to pursue clinical development of additional product candidates, including product candidates based on our Synthetic Platform. Research programs to identify new product candidates require substantial technical, financial and human resources. Developing, obtaining marketing approval for, and commercializing additional product candidates will require substantial additional funding beyond the net proceeds of this offering and will be subject to the risks of failure inherent in medical product development. We cannot assure you that we will be able to successfully advance any of these additional product candidates through the development process.

Even if we obtain approval from the FDA or comparable foreign regulatory authorities to market additional product candidates for the treatment of cancer, we cannot assure you that any such product candidates will be successfully commercialized, widely accepted in the marketplace, or more effective than other commercially available alternatives. If we are unable to successfully develop and commercialize additional product candidates our commercial opportunity may be limited and our business, financial condition, results of operations, stock price and prospects may be materially harmed.

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

If we do not achieve our product development goals in the time frames we announce and expect, the commercialization of our product candidates may be delayed and as a result our share price may decline.

Drug development is inherently risky and uncertain. We cannot be certain that we will be able to:

- complete IND-enabling preclinical studies or develop manufacturing processes and associated analytical methods that meet current good manufacturing practice, or cGMP, requirements in time to initiate clinical trials in the timeframes we announce;
- obtain sufficient clinical supply of our product candidates to support our anticipated or future clinical trials;
- initiate clinical trials within the timeframes we announce;
- enroll and maintain a sufficient number of subjects to complete any clinical trials; or
- analyze the data collected from any completed clinical trials in the timeframes we announce.

The actual timing of our development milestones could vary significantly compared to our estimates, in some cases for reasons beyond our control. If we are unable to achieve our goals within the timeframes we announce, the commercialization of our product candidates may be delayed and, as a result, the stock price of our common stock could fall and you may lose all of your investment.

Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us or any of our potential future collaboration partners from obtaining approvals for the commercialization of ONCR-177 and any other product candidate we develop.

Any current or future product candidate we may develop and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory authorities in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate in a given jurisdiction. We have not received approval to market any product candidates from regulatory authorities in any jurisdiction and it is possible that none of the product candidates we may seek to develop in the future will ever obtain regulatory approval.

Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy for that indication. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities and clinical trial sites by, the regulatory authorities. If we do not receive approval from the FDA and comparable foreign regulatory authorities for any of our product candidates, we will not be able to commercialize such product candidates in the United States or in other jurisdictions. If significant delays in obtaining approval for and commercializing our product candidates occur in any jurisdictions, our business, financial condition, results of operations, stock price and prospects will be materially harmed. Even if our product candidates are approved, they may:

- be subject to limitations on the indicated uses or patient populations for which they may be marketed, distribution restrictions, or other conditions of approval;
- contain significant safety warnings, including boxed warnings, contraindications, and precautions;
- not be approved with label statements necessary or desirable for successful commercialization; or
- contain requirements for costly post-market testing and surveillance, or other requirements, including the submission of a REMS to monitor the safety or efficacy of the products.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, takes many years even if successful, and can vary substantially based upon a variety of factors, including the type, complexity, and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any
application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit, or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining approval or if we fail to obtain approval of any current or future product candidates we may develop, the commercial prospects for those product candidates may be harmed, and our ability to generate revenues will be materially impaired.

**Regulatory approval by the FDA or comparable foreign regulatory authorities is limited to those specific indications and conditions for which approval has been granted, and we may be subject to substantial fines, criminal penalties, injunctions, or other enforcement actions if we are determined to be promoting the use of any products for unapproved or “off-label” uses, resulting in damage to our reputation and business.**

We must comply with requirements concerning advertising and promotion for any product candidates for which we obtain marketing approval. Promotional communications with respect to therapeutics are subject to a variety of legal and regulatory restrictions and continuing review by the FDA, Department of Justice, Department of Health and Human Services’ Office of Inspector General, state attorneys general, members of Congress, and the public. When the FDA or comparable foreign regulatory authorities issue regulatory approval for a product candidate, the regulatory approval is limited to those specific uses and indications for which a product is approved. If we are not able to obtain FDA approval for desired uses or indications for our product candidates, we may not market or promote them for those indications and uses, referred to as off-label uses, and our business, financial condition, results of operations, stock price and prospects will be materially harmed. We also must sufficiently substantiate any claims that we make for any products we develop, including claims comparing our products to other companies’ products, and must abide by the FDA’s strict requirements regarding the content of promotion and advertising.

Because regulatory authorities in the United States generally do not restrict or regulate the behavior of physicians in their choice of treatment within the practice of medicine, physicians may choose to prescribe products for uses that are not described in the product’s labeling and for uses that differ from those tested in clinical trials and approved by the regulatory authorities. Regulatory authorities do, however, restrict communications by biopharmaceutical companies concerning off-label use. We are prohibited for marking and promoting the products for indications and uses that are not specifically approved by the FDA.

If we are found to have impermissibly promoted any products that we may develop, we may become subject to significant liability and government fines. The FDA and other agencies actively enforce the laws and regulations regarding product promotion, particularly those prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted a product may be subject to significant sanctions. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

In the United States, engaging in the impermissible promotion of our products, following approval, for off-label uses can also subject us to false claims and other litigation under federal and state statutes. These include fraud and abuse and consumer protection laws, which can lead to civil and criminal penalties and fines, agreements with governmental authorities that materially restrict the manner in which we promote or distribute therapeutic products and conduct our business. These restrictions could include corporate integrity agreements, suspension or exclusion from participation in federal and state healthcare programs, and suspension and debarment from government contracts and refusal of orders under existing government contracts. These False Claims Act lawsuits against manufacturers of drugs and biologics have increased significantly in volume and breadth, leading to several substantial civil and criminal settlements, up to $3.0 billion, pertaining to certain sales practices and promoting off-label uses. In addition, False Claims Act lawsuits may expose manufacturers to follow-on claims by private payers based on fraudulent marketing practices. This growth in litigation has increased the risk that a biopharmaceutical company will have to defend a false claim action, pay settlement fines or restitution, as well as criminal and civil penalties, agree to comply with burdensome reporting and compliance obligations, and be excluded from Medicare, Medicaid, or other federal and state healthcare programs. If we do not lawfully promote our approved products, if
any, we may become subject to such litigation and, if we do not successfully defend against such actions, those actions may have a material adverse effect on our business, financial condition, results of operations, stock price and prospects.

In the United States, the promotion of biopharmaceutical products is subject to additional FDA requirements and restrictions on promotional statements. If after one or more of our product candidates obtains marketing approval the FDA determines that our promotional activities violate its regulations and policies pertaining to product promotion, it could request that we modify our promotional materials or subject us to regulatory or other enforcement actions, including issuance of warning letters or untitled letters, suspension or withdrawal of an approved product from the market, requests for recalls, payment of civil fines, disgorgement of money, imposition of operating restrictions, injunctions or criminal prosecution, and other enforcement actions. Similarly, industry codes in foreign jurisdictions may prohibit companies from engaging in certain promotional activities and regulatory agencies in various countries may enforce violations of such codes with civil penalties. If we become subject to regulatory and enforcement actions our business, financial condition, results of operations, stock price and prospects will be materially harmed.

Obtaining and maintaining marketing approval for our product candidates in one jurisdiction would not mean that we will be successful in obtaining marketing approval of that product candidate in other jurisdictions, which could prevent us from marketing our products internationally.

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

Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign marketing approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed. If we obtain approval for any product candidate and ultimately commercialize that product in foreign markets, we would be subject to additional risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and the reduced protection of intellectual property rights in some foreign countries.

Even if our product candidates receive regulatory approval, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense and limit how we manufacture and market our products.

Any product candidate for which we obtain marketing approval will be subject to extensive and ongoing requirements of and review by the FDA or comparable foreign regulatory authorities, including requirements related to the manufacturing processes, post-approval clinical data, labeling, packaging, distribution, adverse event reporting, storage, recordkeeping, export, import, advertising, marketing, and promotional activities for such product. These requirements further include submissions of safety and other post-marketing information, including manufacturing deviations and reports, registration and listing requirements, the payment of annual fees, continued compliance with cGMP requirements relating to manufacturing, quality control, quality assurance, and corresponding maintenance of records and documents, and good clinical practices, or GCPs, for any clinical trials that we conduct post-approval.

The FDA and comparable foreign regulatory authorities will continue to closely monitor the safety profile of any product even after approval. If the FDA or comparable foreign regulatory authorities become aware of new safety
information after approval of any of our product candidates, they may withdraw approval, issue public safety alerts, require labeling changes or
establishment of a REMS or similar strategy, impose significant restrictions on a product’s indicated uses or marketing, or impose ongoing
requirements for potentially costly post-approval studies or post-market surveillance. Any such restrictions could limit sales of the product.

We and any of our suppliers or collaborators, including our contract manufacturers, could be subject to periodic unannounced inspections by the
FDA to monitor and ensure compliance with cGMPs and other FDA regulatory requirements. Application holders must further notify the FDA, and
depending on the nature of the change, obtain FDA pre-approval for product and manufacturing changes.

In addition, later discovery of previously unknown adverse events or that the product is less effective than previously thought or other problems
with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements both before and after approval,
may yield various negative results, including:

- restrictions on manufacturing, distribution, or marketing of such products;
- restrictions on the labeling, including required additional warnings, such as black boxed warnings, contraindications, precautions, and
  restrictions on the approved indication or use;
- modifications to promotional pieces;
- issuance of corrective information;
- requirements to conduct post-marketing studies or other clinical trials;
- clinical holds or termination of clinical trials;
- requirements to establish or modify a REMS or similar strategy;
- changes to the way the product candidate is administered;
- liability for harm caused to patients or subjects;
- reputational harm;
- the product becoming less competitive;
- warning, untitled, or cyber letters;
- suspension of marketing or withdrawal of the products from the market;
- regulatory authority issuance of safety alerts, Dear Healthcare Provider letters, press releases, or other communications containing
  warnings or other safety information about the product candidate;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recalls of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure or detention;
- FDA debarment, suspension and debarment from government contracts, and refusal of orders under existing government contracts,
  exclusion from federal healthcare programs, consent decrees, or corporate integrity agreements; or
- injunctions or the imposition of civil or criminal penalties, including imprisonment.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, or could
substantially increase the costs and expenses of commercializing such product, which in turn could delay or prevent us from generating
significant revenues from its marketing and sale. Any of these events could further have other material and adverse effects on our operations and
business and could adversely impact our business, financial condition, results of operations, stock price and prospects.

The FDA’s policies or those of comparable foreign regulatory authorities may change and additional government regulations may be enacted that
could prevent, limit or delay regulatory approval of our product candidates, limit the marketability of our product candidates, or impose additional
regulatory obligations on us. Changes in medical practice and standard of care may also impact the marketability of our product candidates.
If we are slow or unable to adapt to changes in existing requirements, standards of care, 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 be subject to regulatory enforcement action.

Should any of the above actions take place, we could be prevented from or significantly delayed in achieving profitability. Further, the cost of compliance with post-approval regulations may have a negative effect on our operations and business and could adversely impact our business, financial condition, results of operations, stock price and prospects.

Risks Related to Our Reliance on Third Parties

We currently rely on contract manufacturing organizations, or CMOs, to supply components of and manufacture ONCR-177. The loss of these CMOs or their failure to meet their obligations to us could affect our ability to develop ONCR-177 in a timely manner.

We rely on a limited number of CMOs and have entered into an agreement with a third-party CMO to manufacture ONCR-177 and supply the Phase 1 clinical trial material, in compliance with applicable regulatory and quality standards. While we do not own or operate manufacturing facilities, our team has in-house process development and manufacturing expertise and has internally developed a closed, serum-free manufacturing process. Our proprietary process is then used by third-party contract manufacturers we direct for production of batches of clinical material for us. Although we entered into a lease agreement in December 2020 for a manufacturing facility and intend to initiate further development of our in-house manufacturing capabilities in 2021, we intend to continue to rely on third-party contract manufacturers to implement our proprietary process to manufacture our clinical supply for the foreseeable future. Any replacement of a third-party contract manufacturer could require significant effort and expertise because there may be a limited number of qualified replacements. Any delays in obtaining adequate clinical supply that meets the necessary quality standards may delay our development or commercialization.

Our reliance on third-party providers for certain manufacturing activities will reduce our control over these activities but will not relieve us of our responsibility to ensure compliance with all required regulations. Under certain circumstances, these third-party providers may be entitled to terminate their engagements with us. If a third-party provider terminates its engagement with us, or does not successfully carry out its contractual duties, meet expected deadlines or manufacture ONCR-177 or any other product candidates in accordance with regulatory requirements, or if there are disagreements between us and a third-party provider, we may not be able to complete, or may be delayed in completing, the preclinical studies required to support future IND submissions and the clinical trials required for approval of ONCR-177 or any other product candidate and would thereby have a negative impact on our business, financial condition, results of operations and prospects.

We may rely on additional third parties to manufacture ingredients of our product candidates in the future and to perform quality testing. Reliance on third-party contract manufacturers and service providers entails risks to which we would not be subject if we manufactured the product candidates ourselves, including:

- reduced control for certain aspects of manufacturing activities;
- termination or nonrenewal of the applicable manufacturing and service agreements in a manner or at a time that is costly or damaging to us;
- the possible breach by our third-party manufacturers and service providers of our agreements with them;
- the failure of our third-party manufacturers and service providers to comply with applicable regulatory requirements;
- disruptions to the operations of our third-party manufacturers and service providers caused by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or service provider; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.
Any of these events could lead to clinical trial delays or failure to obtain regulatory approval, impact our ability to successfully commercialize any of our product candidates or otherwise harm our business, financial condition, results of operations, stock price and prospects. Some of these events could be the basis for FDA or other regulatory authority action, including injunction, recall, seizure or total or partial suspension of product manufacture.

We are subject to multiple manufacturing risks, any of which could substantially increase our costs, limit supply of our product candidates and result in delays in our clinical trials.

The process of manufacturing viral immunotherapies, including our product candidates, is complex, time-consuming, highly regulated and subject to several risks, including:

- product loss during the manufacturing process, including loss caused by contamination, operator error, equipment failure or improper installation or operation of equipment, inconsistency in yields, variability in product characteristics, and difficulties in scaling the production process. In particular, we have experienced manufacturing loss of ONCR-177 clinical supply caused by operator error. We may also experience additional manufacturing losses in the future. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination;
- the manufacturing facilities in which our product candidates are made could be adversely affected by equipment failures, labor and raw material shortages, natural disasters, power failures and numerous other factors; and
- any adverse developments affecting manufacturing operations for our products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our product candidates. We may also have to take inventory write-offs and incur other charges and expenses for product candidate batches that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

We may also make changes to our manufacturing processes at various points during development, for a number of reasons, such as controlling costs, achieving scale, decreasing processing time, increasing manufacturing success rate or other reasons. Such changes carry the risk that they will not achieve their intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of our ongoing or future clinical trials. In some circumstances, changes in the manufacturing process may require us to perform ex vivo comparability studies and to collect additional data from patients prior to undertaking more advanced clinical trials. For instance, changes in our process during the course of clinical development may require us to show the comparability of the product used in earlier clinical phases or at earlier portions of a trial to the product used in later clinical phases or later portions of the trial.

Any of these events could substantially increase our costs or lead to delays in our clinical trials.

We rely, and expect to continue to rely, on third parties to conduct, supervise, and monitor our preclinical studies and clinical trials. If those third parties do not perform satisfactorily, including failing to meet deadlines for the completion of such trials or failing to comply with regulatory requirements, we may be unable to obtain regulatory approval for our product candidates or any other product candidates that we may develop in the future.

We rely, and will rely, on third-party CROs, study sites and others to conduct, supervise, and monitor our preclinical studies and clinical trials for our product candidates and do not currently plan to independently conduct preclinical studies or clinical trials of any product candidates. We expect to continue to rely on third parties, such as CROs, clinical data management organizations, medical institutions, and clinical investigators, to conduct our preclinical studies and clinical trials. Although we have agreements governing their activities, we have limited influence over their actual performance and control only certain aspects of their activities. The failure of these third parties to successfully carry out their contractual duties or meet expected deadlines could substantially harm our business because we may be delayed in completing or unable to complete the studies required to support future approval of our product candidates, or we may not obtain marketing approval for or commercialize our product candidates in a timely manner or at all. Moreover, these agreements might terminate for a variety of reasons, including a failure to perform by the
third parties. If we need to enter into alternative arrangements our product development activities would be delayed and our business, financial condition, results of operations, stock price and prospects may be materially harmed.

Our reliance on these third parties for development activities will reduce our control over these activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory, and scientific standards and our reliance on third parties does not relieve us of our regulatory responsibilities. For example, we will remain responsible for ensuring that each of our trials is conducted in accordance with the general investigational plan and protocols for the trial. We must also ensure that our preclinical trials are conducted in accordance with the FDA's Good Laboratory Practice, or GLP, regulations, as appropriate. Moreover, the FDA and comparable foreign regulatory authorities require us to comply with standards, commonly referred to as GCPs for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity, and confidentiality of trial participants are protected. Regulatory authorities enforce these requirements through periodic inspections of trial sponsors, clinical investigators, and trial sites. If we or any of our third parties fail to comply with applicable GCPs or other regulatory requirements, we or they may be subject to enforcement or other legal actions, the data generated in our trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional studies.

In addition, we will be required to report certain financial interests of our third-party investigators if these relationships exceed certain financial thresholds or meet other criteria. The FDA or comparable foreign regulatory authorities may question the integrity of the data from those clinical trials conducted by investigators who may have conflicts of interest.

We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our trials complies with the applicable regulatory requirements. In addition, our clinical trials must be conducted with product candidates that were produced under cGMP regulations. Failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. We also are required to register certain clinical trials and post the results of certain completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in enforcement actions and adverse publicity.

The third parties with which we work may also have relationships with other entities, some of which may be our competitors, for whom they may also be conducting trials or other therapeutic development activities that could harm our competitive position. In addition, such third parties are not our employees, and except for remedies available to us under our agreements with such third parties we cannot control whether or not they devote sufficient time and resources to our ongoing clinical, non-clinical, and preclinical programs. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our preclinical studies or clinical trials in accordance with regulatory requirements or our stated protocols, if they need to be replaced or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, our trials may be repeated, extended, delayed, or terminated; we may not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates; we may not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates; or we or they may be subject to regulatory enforcement actions. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed. To the extent we are unable to successfully identify and manage the performance of third-party service providers in the future, our business, financial condition, results of operations, stock price and prospects may be materially harmed.

If any of our relationships with these third parties terminate, we may not be able to enter into arrangements with alternative providers or to do so on commercially reasonable terms. Switching or adding additional third parties involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays could occur, which could compromise our ability to meet our desired development timelines.

We will also rely on other third parties to store and distribute our product candidates for the clinical trials that we conduct. Any performance failure on the part of our distributors could delay clinical development, marketing
approval, or commercialization of our product candidates, which could result in additional losses and deprive us of potential product revenue.

If the manufacturers upon which we rely fail to produce any product candidates in the volumes that we require on a timely basis, or fail to comply with stringent regulations applicable to biopharmaceutical manufacturers, we may face delays in the development and commercialization of, or be unable to meet demand for, any product candidates, and may lose potential revenues.

For the near future, we will continue to rely on third-party contract manufacturers to manufacture our clinical trial product supplies. There can be no assurance that our clinical product supply will not be limited, interrupted, or of satisfactory quality or continue to be available at acceptable prices. In particular, any replacement of a contract manufacturer could require significant effort and expertise because there may be a limited number of qualified replacements. Any delays in obtaining adequate supplies of our product candidates that meet the necessary quality standards may delay our development or commercialization.

We may not succeed in our efforts to establish manufacturing relationships or other alternative arrangements for any of our product candidates or programs. Any product candidates we develop compete with other products and product candidates for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations that are both capable of manufacturing and filling our viral product for us and willing to do so. If our existing third-party CMOs, or the third-party providers, that we engage in the future should cease to work with us, we likely would experience delays in obtaining sufficient quantities of any product candidates for us to advance our clinical studies and trials while we identify and qualify replacement suppliers. If for any reason we are unable to obtain adequate supplies of any product candidates we develop or the substances used to manufacture them, it will be more difficult for us to develop product candidates and compete effectively. Further, even if we do establish such collaborations or arrangements, our third-party manufacturers may breach, terminate, or not renew these agreements.

Any problems or delays we experience in preparing for commercial-scale manufacturing of a product candidate or component may result in a delay in product development timelines and FDA or comparable foreign regulatory authority approval of the product candidate or may impair our ability to manufacture commercial quantities or such quantities at an acceptable cost and quality, which could result in the delay, prevention, or impairment of clinical development and commercialization of any product candidates and may materially harm our business, financial condition, results of operations, stock price and prospects.

We currently have only one contract manufacturer for ONCR-177 for use in our clinical trials. In addition, we do not have any long-term commitments from our suppliers of clinical trial material or guaranteed prices for our product candidates or their components. The manufacture of biopharmaceutical products requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. Manufacturers of therapeutics often encounter difficulties in production, particularly in scaling up initial production. These problems include difficulties with production costs and yields, quality control, including stability of the product candidate and quality assurance testing, shortages of qualified personnel or key raw materials, and compliance with strictly enforced federal, state, and foreign regulations. Our current and future contract manufacturers may not perform as agreed. If our manufacturers were to encounter these or other difficulties, our ability to provide product candidates to patients in our clinical trials could be jeopardized.

Contract manufacturers of our product candidates may be unable to comply with our specifications, applicable cGMP requirements or other FDA, state or foreign regulatory requirements. Poor control of production processes can lead to the introduction of adventitious agents or other contaminants, or to inadvertent changes in the properties or stability of a product candidate that may not be detectable in final product testing. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or other regulatory authorities, they will not be able to secure or maintain regulatory approval for their manufacturing facilities. Any such deviations may also require remedial measures that may be costly and/or time-consuming for us or a third party to implement and that may include the temporary or permanent suspension of a clinical trial or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business. Any delays in obtaining products or product candidates that comply with the applicable regulatory requirements may result in delays to clinical trials, product approvals, and commercialization. It may also require that we conduct additional studies.
While we are ultimately responsible for the manufacturing of our product candidates and therapeutic substances, other than through our contractual arrangements, we have little control over our manufacturers’ compliance with these regulations and standards. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Any new manufacturers would need to either obtain or develop the necessary manufacturing know-how, and obtain the necessary equipment and materials, which may take substantial time and investment. We must also receive FDA approval for the use of any new manufacturers for commercial supply.

A failure to comply with the applicable regulatory requirements, including periodic regulatory inspections, may result in regulatory enforcement actions against our manufacturers or us (including fines and civil and criminal penalties, including imprisonment) suspension or restrictions of production, injunctions, delay or denial of product approval or supplements to approved products, clinical holds or termination of clinical trials, warning or untitled letters, regulatory authority communications warning the public about safety issues with the product candidate, refusal to permit the import or export of the products, product seizure, detention, or recall, operating restrictions, suits under the civil False Claims Act, corporate integrity agreements, consent decrees, withdrawal of product approval, environmental or safety incidents and other liabilities. If the safety of any quantities supplied is compromised due to our manufacturers’ failure to adhere to applicable laws or for other reasons, we may not be able to obtain regulatory approval for or successfully commercialize our product candidates.

Any failure or refusal to supply our product candidates or components for our product candidates that we may develop could delay, prevent or impair our clinical development or commercialization efforts. Any change in our manufacturers could be costly because the commercial terms of any new arrangement could be less favorable and because the expenses relating to the transfer of necessary technology and processes could be significant.

We may in the future seek to establish collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

We may in the future seek collaboration arrangements with other parties for the development or commercialization of our product candidates. The success of any collaboration arrangements may depend on the efforts and activities of our collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these arrangements. Disagreements between parties to a collaboration arrangement regarding clinical development and commercialization matters can lead to delays in the development process or commercializing the applicable product candidate and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision making authority.

Collaborations with biopharmaceutical companies and other third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect us financially and could harm our business reputation.

Any future collaborations we might enter into may pose a number of risks, including the following:

- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialization of product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators’ strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could fail to make timely regulatory submissions for a product candidate;
- collaborators may not comply with all applicable regulatory requirements or may fail to report safety data in accordance with all applicable regulatory requirements, which could subject them or us to regulatory enforcement actions;
collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;

product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;

a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product candidate or product;

disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time consuming and expensive;

collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation; and

collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability.

In addition, if we establish one or more collaborations, all of the risks relating to product development, regulatory approval and commercialization described in this prospectus would also apply to the activities of any such future collaborators.

If any collaborations we might enter into in the future do not result in the successful development and commercialization of products or if one of our future collaborators subsequently terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under such potential future collaboration. If we do not receive the funding we expect under the agreements, our development of our product candidates could be delayed and we may need additional resources to develop our product candidates and our product platform.

Additionally, if any future collaborator of ours is involved in a business combination, the collaborator might deemphasize or terminate development or commercialization of any product candidate licensed to it by us. If one of our future collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our reputation in the business and financial communities could be adversely affected.

We face significant competition in seeking appropriate collaborators. Our ability to reach a definitive agreement for any 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 a number of factors.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms, or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market or continue to develop our product platform and our business may be materially and adversely affected.
Risks Related to Commercialization of Our Product Candidates

If we are unable to successfully commercialize any product candidate for which we receive regulatory approval, or experience significant delays in doing so, our business will be materially harmed.

If we are successful in obtaining marketing approval from applicable regulatory authorities for ONCR-177 or any other product candidate, our ability to generate revenues from any such products will depend on our success in:

- launching commercial sales of such products, whether alone or in collaboration with others;
- receiving approved labels with claims that are necessary or desirable for successful marketing, and that do not contain safety or other limitations that would impede our ability to market such products;
- creating market demand for such products through marketing, sales and promotion activities;
- hiring, training, and deploying a sales force or contracting with third parties to commercialize such products in the United States;
- creating partnerships with, or offering licenses to, third parties to promote and sell such products in foreign markets where we receive marketing approval;
- manufacturing such products in sufficient quantities and at acceptable quality and cost to meet commercial demand at launch and thereafter;
- establishing and maintaining agreements with wholesalers, distributors, and group purchasing organizations on commercially reasonable terms;
- maintaining patent and trade secret protection and regulatory exclusivity for such products;
- achieving market acceptance of such products by patients, the medical community, and third-party payors;
- achieving coverage and adequate reimbursement from third-party payors for such products;
- patients' willingness to pay out-of-pocket in the absence of such coverage and adequate reimbursement from third-party payors;
- effectively competing with other therapies; and
- maintaining a continued acceptable safety profile of such products following launch.

To the extent we are not able to do any of the foregoing, our business, financial condition, results of operations, stock price and prospects will be materially harmed.

We face significant competition from other biopharmaceutical and biotechnology companies, academic institutions, government agencies, and other research organizations, which may result in others discovering, developing or commercializing products more quickly or marketing them more successfully than us. If their product candidates are shown to be safer or more effective than ours, our commercial opportunity may be reduced or eliminated.

The development and commercialization of cancer immunotherapy products is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary rights. We face competition with respect to our current product candidates, and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major biopharmaceutical companies, specialty biopharmaceutical companies, and biotechnology companies worldwide. There are a number of large biopharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of solid tumors, including viral immunotherapy and cancer vaccine approaches. Potential competitors also include academic institutions, government agencies, and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for research, development, manufacturing, and commercialization.

While certain of our product candidates may be used in combination with other drugs with different mechanisms of action, if and when marketed they will still compete with a number of drugs that are currently marketed or in development that also target cancer. To compete effectively with these drugs, our product candidates will need to demonstrate advantages in clinical efficacy and safety compared to these competitors when used alone or in combination with other drugs.

Our commercial opportunities 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 easier to administer or are less expensive.
alone or in combination with other therapies than any products that we may develop alone or in combination with other therapies. Our competitors also may obtain FDA or comparable foreign regulatory authorities’ 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. In addition, our ability to compete may be affected in many cases by third-party payors’ coverage and reimbursement decisions.

Many of the companies with which we are competing or may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approved products than we do. Mergers and acquisitions in the biopharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in developing or acquiring technologies complementary to, or necessary for, our programs. If we are unable to successfully compete with these companies our business, financial condition, results of operations, stock price and prospects may be materially harmed.

If we are unable to establish effective marketing, sales and distribution capabilities or enter into agreements with third parties to market and sell our product candidates, if they are approved, the revenues that we generate may be limited and we may never become profitable.

We currently do not have a commercial infrastructure for the marketing, sale, and distribution of any products that we may develop. If and when our product candidates receive marketing approval, we intend to commercialize our product candidates on our own or in collaboration with others and potentially with pharmaceutical or biotechnology partners in other geographies. In order to commercialize our products, we must build our marketing, sales, and distribution capabilities or make arrangements with third parties to perform these services. We may not be successful in doing so. Should we decide to move forward in developing our own marketing capabilities, we may incur expenses prior to product launch or even approval in order to recruit a sales force and develop a marketing and sales infrastructure. If a commercial launch is delayed as a result of the FDA or comparable foreign regulatory authority requirements or other reasons, we would incur these expenses prior to being able to realize any revenue from sales of our product candidates. Even if we are able to effectively hire a sales force and develop a marketing and sales infrastructure, our sales force and marketing teams may not be successful in commercializing our product candidates. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

We may also or alternatively decide to collaborate with third-party marketing and sales organizations to commercialize any approved product candidates, in which event, our ability to generate product revenues may be limited. To the extent we rely on third parties to commercialize any products for which we obtain regulatory approval, we may receive less revenues than if we commercialized these products ourselves, which could materially harm our prospects. In addition, we would have less control over the sales efforts of any other third parties involved in our commercialization efforts, and could be held liable if they failed to comply with applicable legal or regulatory requirements.

We have no prior experience in the marketing, sale, and distribution of biopharmaceutical products, and there are significant risks involved in building and managing a commercial infrastructure. The establishment and development of commercial capabilities, including compliance plans, to market any products we may develop will be expensive and time consuming and could delay any product launch, and we may not be able to successfully develop this capability. We will have to compete with other biopharmaceutical and biotechnology companies, including oncology-focused companies, to recruit, hire, train, manage, and retain marketing and sales personnel, which is expensive and time consuming and could delay any product launch. Developing our sales capabilities may also divert resources and management attention away from product development.

In the event we are unable to develop a marketing and sales infrastructure, we may not be able to commercialize our product candidates, which could limit our ability to generate product revenues and materially harm our business,
financial condition, results of operations, stock price and prospects. Factors that may inhibit our efforts to commercialize our product candidates include:

- the inability to recruit, train, manage, 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 our product candidates;
- our inability to effectively oversee a geographically dispersed sales and marketing team;
- the costs associated with training personnel, including sales and marketing personnel, on compliance matters and monitoring their actions;
- an inability to secure coverage and adequate reimbursement by third-party payors, including government and private health plans;
- the unwillingness of patients to pay out-of-pocket in the absence of coverage and adequate reimbursement from third-party payors;
- the clinical indications for which the products are approved and the claims that we may make for the products;
- limitations or warnings, including distribution or use restrictions, contained in the products’ approved labeling;
- any distribution and use restrictions imposed by the FDA or comparable foreign regulatory authorities or to which we agree as part of a mandatory REMS or voluntary risk management plan;
- liability for our personnel, including sales or marketing personnel, who fail to comply with applicable law;
- 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 lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization or engaging a contract sales organization.

Even if any of our product candidates receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, hospitals, cancer treatment centers, third-party payors and others in the medical community necessary for commercial success. The revenues that we generate from their sales may be limited, and we may never become profitable.

We have never commercialized a product candidate for any indication. Even if our product candidates are approved by the appropriate regulatory authorities for marketing and sale, they may not gain acceptance among physicians, patients, third-party payors, and others in the medical community. If any product candidates for which we obtain regulatory approval do not gain an adequate level of market acceptance, we could be prevented from or significantly delayed in achieving profitability. For example, physicians are often reluctant to switch their patients and patients may be reluctant to switch from existing therapies even when new and potentially more effective or safer treatments enter the market.

Efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may not be successful. If any of our product candidates is approved but does not achieve an adequate level of market acceptance, we could be prevented from or significantly delayed in achieving profitability. The degree of market acceptance of any product for which we receive marketing approval will depend on a number of factors, including:

- the efficacy of our product both as a monotherapy and in combination with marketed checkpoint inhibitors;
- the commercial success of any checkpoint inhibitors with which our product may be co-administered;
- the prevalence and severity of adverse events associated with our product or those products with which it is co-administered;
- the clinical indications for which our product is approved and the approved claims that we may make with respect to the product;
limitations or warnings contained in the FDA-approved labeling of the product or the labeling approved by comparable foreign regulatory authorities, including potential limitations or warnings for our product that may be more restrictive than other competitive products;

changes in the standard of care for the targeted indications for our product, which could reduce the marketing impact of any claims that we could make following FDA approval or approval by comparable foreign regulatory authorities, if obtained;

the relative convenience and ease of administration of our product and any products with which it is co-administered;

the cost of treatment compared with the economic and clinical benefit of alternative treatments or therapies;

the availability of coverage and adequate reimbursement by third-party payors, such as private insurance companies and government healthcare programs, including Medicare and Medicaid;

patients' willingness to pay out-of-pocket in the absence of such coverage and adequate reimbursement from third-party payors;

the price concessions required by third-party payors to obtain coverage and adequate reimbursement;

the extent and strength of our marketing and distribution of our product;

the safety, efficacy, and other potential advantages over, and availability of, alternative treatments already used or that may later be approved;

distribution and use restrictions imposed by the FDA or comparable foreign regulatory authorities with respect to our product or to which we agree as part of a REMS or voluntary risk management plan;

the timing of market introduction of our product, as well as competitive products;

our ability to offer our product for sale at competitive prices;

the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;

the extent and strength of our third-party manufacturer and supplier support;

the actions of companies that market any products with which our product is co-administered;

the approval of other new products;

adverse publicity about our product or any products with which it is co-administered, or favorable publicity about competitive products; and

potential product liability claims.

The size of the potential market for our product candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our product candidates may be smaller than our estimates.

The potential market opportunities for our product candidates are difficult to estimate and will depend in large part on the drugs with which our product candidates are co-administered and the success of competing therapies and therapeutic approaches. In particular, the market opportunity for viral immunotherapies is hard to estimate given that it is an emerging field with only one existing FDA-approved viral immunotherapy, T-VEC, which has yet to enjoy broad market acceptance. Our estimates of the potential market opportunities are predicated on many assumptions, which may include industry knowledge and publications, third-party research reports, and other surveys. Although we believe that our internal assumptions are reasonable, these assumptions involve the exercise of significant judgment on the part of our management, are inherently uncertain, and their reasonableness has not been assessed by an independent source. If any of the assumptions proves to be inaccurate, the actual markets for our product candidates could be smaller than our estimates of the potential market opportunities.

Negative developments in the field of immuno-oncology could damage public perception of our oHSV and Synthetic Platforms and our product candidates, including ONCR-177, and negatively affect our business.

The commercial success of our product candidates will depend in part on public acceptance of the use of cancer viral immunotherapies. Adverse events in clinical trials of our product candidates, including ONCR-177, or in clinical trials of others developing similar products and the resulting publicity, as well as any other negative developments in the field of immuno-oncology that may occur in the future, including in connection with competitor therapies or with checkpoint inhibitors, could result in a decrease in demand for ONCR-177 or any other product candidates that we may develop. These events could also result in the suspension, discontinuation, or clinical hold.
of or modification to our clinical trials. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, whether related to our therapies or those of our competitors, our product candidates may not be accepted by the general public or the medical community and potential clinical trial subjects may be discouraged from enrolling in our clinical trials. As a result, we may not be able to continue or may be delayed in conducting our development programs.

As our product candidates consist of modified or synthetic viruses, adverse developments in anti-viral vaccines or clinical trials of other viral immunotherapy products based on viruses may result in a disproportionately negative effect for ONCR-177 or our other product candidates as compared to other products in the field of immuno-oncology that are not based on viruses. Future negative developments in the field of immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for ONCR-177 or our other product candidates.

Risks Related to Intellectual Property

If we are unable to obtain, maintain and protect our intellectual property rights for our technology and product candidates, or if our intellectual property rights are inadequate, our competitive position could be harmed.

Our commercial success will depend in part on our ability to obtain and maintain patent and other intellectual property protection in the United States and other countries with respect to our technology, including our oHSV Platform and Synthetic Platform, and ONCR-177 and our other product candidates. We also rely in part on trade secret, copyright and trademark laws, and confidentiality, licensing and other agreements with employees and third parties, all of which offer only limited protection. We seek to protect our proprietary position by filing and prosecuting patent applications in the United States and abroad related to our technology and product candidates.

The patent positions of biotechnology and pharmaceutical companies generally are highly uncertain, involve complex legal and factual questions and have in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our licensed patents and any patents we own are highly uncertain. The steps we have taken to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights, both inside and outside of the United States.

Further, the examination process may require us to narrow the claims for our pending patent applications, which may limit the scope of patent protection that may be obtained if these applications issue. Our pending and future patent applications may not result in patents being issued that protect our product candidates, in whole or in part, or which effectively prevent others from commercializing competitive product candidates. The scope of a patent may also be reinterpreted after issuance. The rights that may be granted under our issued patents may not provide us with the proprietary protection or competitive advantages we are seeking. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. If we are unable to obtain and maintain patent protection for our technology or for ONCR-177 or our other product candidates, or if the scope of the patent protection obtained is not sufficient, our competitors could develop and commercialize products similar or superior to ours in a non-infringing manner, and our ability to successfully commercialize ONCR-177 or our other product candidates and future technologies may be adversely affected. It is also possible that we will fail to identify patentable aspects of inventions made in the course of our development and commercialization activities before it is too late to obtain patent protection on them.

In addition, the patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. It is also possible that we will fail to identify patentable aspects of our research and development efforts in time to obtain patent protection.
For the core technology in our oHSV Platform and Synthetic Platform and ONCR-177 and our other product candidates, patent applications are pending at each of the U.S. provisional, Patent Cooperation Treaty, or PCT, and national stages with, minimally, filings submitted to the U.S., European Patent Conventions, or EPC, and Japan. As of December 31, 2020, our patent portfolio consisted of 15 issued U.S. patents, 15 pending U.S. patent applications, 12 issued foreign patents and approximately 105 pending foreign applications. Any future provisional patent applications are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing of one or more of our related provisional patent applications. If we do not timely file any non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. Although we intend to timely file non-provisional patent applications relating to our provisional patent applications, we cannot predict whether any of our future patent applications will result in the issuance of patents that effectively protect our technology or ONCR-177 or our other product candidates, or if any of our future issued patents will effectively prevent others from commercializing competitive products. We may be subject to a third-party preissuance submission of prior art to the U.S. Patent and Trademark Office, or USPTO. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or in some cases not at all until they are issued as a patent. Therefore, we cannot be certain that we were the first to make the inventions claimed in our pending patent applications, or that we were the first to file for patent protection of such inventions.

Our pending applications cannot be enforced against third parties practicing the inventions claimed in such applications unless and until a patent issues from such applications with a claim that covers such third party activity. Because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, issued patents that we license from third parties or own in the future may be challenged in the courts or patent offices in the United States and abroad, including through opposition proceedings, derivation proceedings, post-grant review, inter partes review, interference proceedings or litigation. Such proceedings may result in the loss of patent protection, the narrowing of claims in such patents or the invalidity or unenforceability of such patents, which could limit our ability to stop others from using or commercializing similar or identical products, or limit the duration of the patent protection for our technology. Protecting against the unauthorized use of our patented inventions, trademarks and other intellectual property rights is expensive, time consuming, difficult and in some cases may not be possible. In some cases, it may be difficult or impossible to detect third-party infringement or misappropriation of our intellectual property rights, even in relation to issued patent claims, and proving any such infringement may be even more difficult. If we are unable to obtain, maintain, and protect our intellectual property our competitive advantage could be harmed, and it could result in a material adverse effect on our business, financial condition, results of operations, stock price and prospects.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business.

We are a party to license agreements with entities including the University of Pittsburgh, Northwestern University, WuXi Biologics, Ospedale San Raffaele S.r.l. and Fondazione Telethon, and the University of Chicago, and we may need to obtain additional licenses from others to advance our research and development activities or allow the commercialization of our current or future product candidates. These license agreements impose, and we expect that future license agreements will impose, various development, diligence, commercialization, and other obligations on us. For example, under our license agreement with the University of Pittsburgh, we are required to use commercially reasonable efforts to engage in various development and commercialization activities with respect to licensed products, and must satisfy specified milestone and royalty payment obligations. In spite of our efforts, our licensors might conclude that we have materially breached our obligations under such license agreements and might therefore terminate the license agreements, thereby removing or limiting our ability to develop and commercialize products and technology covered by the intellectual property under these license agreements. If these in-licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products identical to ours and we may be required to cease our development and commercialization our product candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.
Moreover, 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 product candidates, 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 under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, the agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant 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. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology and products could be adversely affected.

In addition to seeking patent protection, we also rely on other proprietary rights, including protection of trade secrets, know-how and confidential and proprietary information. To maintain the confidentiality of our trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators, contractors, and other third parties who have access to our trade secrets. Our agreements with employees and consultants also provide that any inventions conceived by the individual employee or consultant in the course of rendering services to us shall be our exclusive property. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. 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. In addition, 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. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions.

Adequate remedies may not exist in the event of unauthorized use or disclosure of our confidential information including a breach of our confidentiality agreements. 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 in and outside of the United States are less willing or unwilling to protect trade secrets. 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. The disclosure of our trade secrets or the independent development of our trade secrets by a competitor or other third party would impair our competitive position and may materially harm our business, financial condition, results of operations, stock price and prospects.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could harm our business.

Our commercial success depends on our ability and the ability of any future collaborators to develop, manufacture, market and sell ONCR-177 and our other product candidates, and to use our related proprietary technologies without
infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of third parties. The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. We may become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our current and any other future product candidates, including interference proceedings, post-grant review, *inter partes review* and derivation proceedings before the USPTO.

Third parties may assert infringement or other intellectual property claims against us based on existing patents or patents that may be granted in the future. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are pursuing development candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that we may be subject to claims of infringement of the patent rights of third parties. If we are found to infringe a third party’s intellectual property rights, and we are unsuccessful in demonstrating that such intellectual property rights are invalid or unenforceable, we could be required to obtain a license from such third party to continue developing, manufacturing and commercializing ONCR-177 and our other product candidates. 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 and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We also could be forced, including by court order, to cease developing, manufacturing, and commercializing ONCR-177 or our other product candidates. In addition, in any such proceeding or litigation, we could be found liable for significant monetary damages, including treble damages and attorneys’ fees, if we are found to have willfully infringed a patent or other intellectual property right. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, stock price and prospects. Any claims by third parties that we have misappropriated their confidential information or trade secrets could have a similar material adverse effect on our business. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business.

Parties making claims against us may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Furthermore, in addition to developing ONCR-177 as a monotherapy, we also anticipate developing ONCR-177 in combination with the commercially available anti-PD-1 checkpoint inhibitor pembrolizumab. Pembrolizumab, while commercially available in the market, is covered by patents held by Merck. We have entered into a clinical trial collaboration and supply agreement with Merck under which Merck has agreed to supply pembrolizumab for our ongoing Phase 1 clinical trial. We also plan to develop our product candidates in combination with products developed by additional companies that are covered by patents or licenses held by those entities to which we do not have a license or a sublicense. In the event that a labeling instruction is required in product packaging recommending that combination, we could be accused of, or held liable for, infringement of the third-party patents covering the product candidate or product recommended for administration with ONCR-177 or our other product candidates. In such a case, we could be required to obtain a license from the other company or institution to use the required or desired package labeling, which may not be available on commercially reasonable terms, or at all.

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

Filing, prosecuting and defending patents on our technology throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws and practices of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop and/or manufacture their own products, and may export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as that in the United States. These products may compete with our products and
our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the granting or enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to obtain patent rights or stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally in those countries. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to protect and enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property we develop or license.

In addition, the laws of certain foreign countries may not protect our rights to the same extent as the laws of the United States, and those foreign laws may also be subject to change. For example, methods of treatment and manufacturing processes may not be patentable in certain jurisdictions, and the requirements for patentability may differ in certain countries. Furthermore, biosimilar product manufacturers or other competitors may challenge the scope, validity and enforceability of our patents, requiring us to engage in complex, lengthy and costly litigation or proceedings.

Moreover, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. Many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business and results of operations may be adversely affected.

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

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payments and other similar provisions during the patent application process and to maintain patents after they are issued. For example, periodic maintenance fees, renewal fees, annuity fees and various other government fees on issued patents and patent applications often must be paid to the USPTO and foreign patent agencies over the lifetime of our licensed patents or any patents we own. In certain circumstances, we may rely on future licensing partners to take the necessary action to comply with these requirements with respect to licensed intellectual property. Although an unintentional lapse can be cured for a period of time 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 obtain and maintain the patents and patent applications covering our products or procedures, we may not be able to stop a competitor from marketing products that are the same as or similar to ONCR-177 or our other product candidates, which could have a material adverse effect on our business.

Changes to the patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect ONCR-177 and our other 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 or other jurisdictions in which we have or seek patent
Protection could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act, or the Leahy-Smith Act, signed into law in the United States 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. 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. 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, stock price and prospects.

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. We may wish to acquire rights to future assets through in-licensing or may attempt to form collaborations in the future with respect to our product candidates, but may not be able to do so, 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 in other countries or territories of the world. 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 a number of factors. Those factors may include the following:

- the design or results of clinical trials;
- the likelihood of approval by the FDA or comparable foreign regulatory authorities;
- the potential market for the product candidate;
- the costs and complexities of manufacturing and delivering such product candidate to patients;
- the potential of competing products;
- the existence of uncertainty with respect to our ownership of technology or other rights, which can exist if there is a challenge to such ownership without regard to the merits of the challenge; and
- industry and market conditions generally.

The 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.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a material adverse effect on the success of our business. Competitors may infringe our licensed patents or any patent we own or misappropriate or otherwise violate our intellectual property rights. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. If we were to initiate legal proceedings against a third party to enforce a patent covering our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, 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, written description or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable. Our licensed patents and any patents we own in the future may become involved in priority or other intellectual property related disputes. Interference or derivation proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. Also, third parties may initiate legal proceedings against us to challenge the validity or scope of our owned or licensed intellectual property rights. These proceedings can be expensive and time consuming. Many of our current and potential competitors have the ability to dedicate substantially greater resources to conduct intellectual property related litigations or proceedings than we can. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Litigation and other intellectual property related proceedings could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by or licensed to us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or other intellectual property related proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation in the United States, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments in any such proceedings. 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, and could have a material adverse effect on our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties, or enter into development partnerships that would help us bring our product candidates to market. Any of the foregoing may have a material adverse effect our business, financial condition, results of operations, stock price and prospects.

We may be subject to claims by third parties asserting that we, our employees or any future collaborators have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property. Many of our employees, including our senior management team, were previously employed at, or consulted for, universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these people, including each member of our senior management team, executed proprietary rights, non-disclosure and non-competition agreements, or similar agreements, in connection with such previous
employment or consulting agreements, that assigned ownership of intellectual property relating to work performed under such agreements to the contracting third party. Although we try to ensure that our employees do not use, claim as theirs, or misappropriate the intellectual property, proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used, claimed as theirs, misappropriated or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on commercially reasonable terms, or at all. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations, stock price and prospects.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed confidential information of third parties or are in breach of non-competition or non-solicitation agreements with our competitors.

We could be subject to claims that we or our employees, including senior management, have inadvertently or otherwise used or disclosed alleged trade secrets or other confidential information of former employers or competitors or others. 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 be subject to claims that we caused an employee to breach the terms of their 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 or other party. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, 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 ONCR-177 and our other 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, competitors or other parties. An inability to incorporate such technologies or features would have a material adverse effect on our business, and may prevent us from successfully commercializing ONCR-177 and our other product candidates. In addition, we may lose valuable intellectual property rights or personnel as a result of such claims. Moreover, any such litigation or the threat thereof may adversely affect our ability to hire employees or consultants. A loss of key personnel or their work product could hamper or prevent our ability to develop and commercialize ONCR-177 and our other product candidates, which could have an adverse effect on our business, financial condition, results of operations, stock price and prospects.

If we obtain any issued patents covering our technology, such patents could be found invalid or unenforceable if challenged in court or before the USPTO or comparable foreign regulatory authority.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering any of our technology, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be, among other things, an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, or non-enablement. Grounds for an unenforceability assertion could be, among other things, an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, inter partes review, post-grant review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions, such as opposition proceedings. Such proceedings could result in revocation, cancellation or amendment to our patents in such a way that they no longer cover and protect ONCR-177 and our other product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. For example, with respect to the validity of our licensed patents or any patents we obtain in the future, we cannot be certain that there is no invalidating prior art of which we, our or our licensing partner's patent counsel, and the patent examiner were unaware during
prosecution. If a third party were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on ONCR-177 and our other product candidates. Such a loss of patent protection could have a material adverse impact on our business.

**Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time, and our product candidates for which we intend to seek approval as biological products may face competition sooner than anticipated.**

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of new product candidates, such as ONCR-177 and our other product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, but no longer than 14 years from the product’s approval date, which is limited to the approved indication (or any additional indications approved during the period of extension). However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authorities in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their products earlier than might otherwise be the case, which could have a material adverse effect on our business, financial condition, results of operations, stock price and prospects.

The enactment of the Biologics Price Competition and Innovation Act of 2009, or BPCIA, as part of the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act, or ACA, created an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as "interchangeable" based on its similarity to an existing brand product. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the original branded product was approved under a BLA. Certain changes, however, and supplements to an approved BLA, and subsequent applications filed by the same sponsor, manufacturer, licensor, predecessor in interest, or other related entity do not qualify for the 12-year exclusivity period.

ONCR-177 and our other product candidates are all biological product candidates. We anticipate being awarded market exclusivity for each of our biological product candidates that is subject to its own BLA for 12 years in the United States, 10 years in Europe and significant durations in other markets. However, the term of the patents that cover such product candidates may not extend beyond the applicable market exclusivity awarded by a particular country. For example, in the United States, if all of the patents that cover our particular biological product expire before the 12-year market exclusivity expires, a third party could submit a marketing application for a biosimilar product four years after approval of our biological product, the FDA could immediately review the application and approve the biosimilar product for marketing 12 years after approval of our biological product, and the biosimilar sponsor could then immediately begin marketing. Alternatively, a third party could submit a full BLA for a similar or identical product any time after approval of our biological product, and the FDA could immediately review and approve the similar or identical product for marketing and the third party could begin marketing the similar or identical product upon expiry of all of the patents that cover our particular biological product.

There is also a risk that this exclusivity could be changed in the future. For example, this exclusivity could be shortened due to congressional action or through other actions, including future proposed budgets, international trade agreements and other arrangements or proposals. Additionally, there is a risk that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for
biosimilar competition sooner than anticipated. 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. It is also possible that payors will give reimbursement preference to biosimilars over reference biologics, even absent a determination of interchangeability.

To the extent that we do not receive any anticipated periods of regulatory exclusivity for our product candidates or the FDA or foreign regulatory authorities approve any biosimilar, interchangeable, or other competing products to our product candidates, it could have a material adverse effect on our business, financial condition, results of operations, stock price and prospects.

Risks Related to Government Regulation

If we fail to comply with federal and state healthcare laws, including fraud and abuse and patient privacy and security laws, we could face substantial penalties and our business, financial condition, results of operations, stock price and prospects will be materially harmed.

Our current and future arrangements with healthcare providers, third-party payors, customers, and others may expose us to broadly applicable healthcare fraud and abuse, patient privacy and security, and other healthcare laws, which may constrain the business or financial arrangements and relationships through which we research, as well as, sell, market and distribute any products for which we obtain marketing approval. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

- The federal Anti-Kickback Statute, which prohibits, among other things, individuals and entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual 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 a federal healthcare program, such as the Medicare and Medicaid programs.
- The federal civil and criminal false claims laws, including, without limitation, the civil False Claims Act, and the federal civil monetary penalties law, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment of federal funds, and knowingly making, or causing to be made, 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.
- The Health Insurance Portability and Accountability Act of 1996, or HIPAA, which prohibits, among other things, knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private), willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false, fictitious or fraudulent statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters.
- The federal physician payment transparency requirements, sometimes referred to as the Physician Payments Sunshine Act, created under the ACA and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by such physicians and their immediate family members, which will be expanded beginning in 2022, to require applicable manufacturers to report such information regarding transfers of value made to physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, anesthesiologist assistants and certified nurse midwives during the previous year.
- HIPAA, as amended by the Health Information Technology for Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose obligations on “covered entities,” including certain
healthcare providers, health plans, and healthcare clearinghouses, as well as their respective “business associates” that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity and their subcontractors that use, disclose or otherwise process individually identifiable health information, with respect to safeguarding the privacy, security and transmission of individually identifiable health information.

- Analogous state and foreign anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or that apply regardless of payor; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state and local laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require the reporting of information related to drug pricing; state and local laws requiring the registration of pharmaceutical sales representatives; and state and foreign laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

If we or our operations are found to be in violation of any federal or state healthcare law, or any other governmental laws or regulations that apply to us, we may be subject to penalties, including significant civil, criminal, and administrative penalties, damages, monetary fines, disgorgement, imprisonment, suspension and debarment from government contracts, and refusal of orders under existing government contracts, exclusion from participation in U.S. federal or state health care programs, additional reporting requirements and/or oversight if we become subject to corporate integrity agreements or similar agreement to resolve allegations of non-compliance, contractual damages, reputational harm, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business and our financial results. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, it may be subject to significant criminal, civil or administrative sanctions, including but not limited to, exclusions from participation in U.S. federal or state healthcare programs, which could also materially affect our business.

Although an effective compliance program can mitigate the risk of investigation and prosecution for violations of these laws, the risks cannot be entirely eliminated. Moreover, achieving and sustaining compliance with such laws may prove costly. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business.

If the government or third-party payors fail to provide adequate coverage, reimbursement and payment rates for our product candidates, or if health maintenance organizations or long-term care facilities choose to use therapies that are less expensive or considered a better value, our revenue and prospects for profitability will be limited.

In both domestic and foreign markets, sales of our products will depend in part upon the availability of coverage and adequate reimbursement from third-party payors. Such third-party payors include government health programs such as Medicare and Medicaid, managed care providers, private health insurers, and other organizations. Coverage decisions may depend upon clinical and economic standards that disfavor new therapeutic products when more established or lower cost therapeutic alternatives are already available or subsequently become available, even if our products are alone in a class. Third-party payors establish reimbursement levels. Therefore, even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain a market share sufficient to realize a sufficient return on our or their investments. If reimbursement is not available, or is available only to limited levels, our product candidates may be competitively disadvantaged, and we may not be able to successfully commercialize our product candidates. Alternatively, securing favorable reimbursement terms may require us to compromise pricing and prevent us from realizing an adequate margin over cost.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved therapeutics. Marketing approvals, pricing, and reimbursement for new therapeutic products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale
price of a therapeutic before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription biopharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay commercial launch of the product, possibly for lengthy time periods, which may negatively impact the revenues 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 our product candidates obtain marketing approval. Our ability to commercialize our product candidates will depend in part on the extent to which coverage and reimbursement for these products and related treatments will be available from third-party payors.

The healthcare industry is acutely focused on cost containment, both in the United States and elsewhere. Third-party payors, whether foreign or domestic, or governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. Several third-party payors are requiring that companies provide them with predetermined discounts from list prices, are using preferred drug lists to leverage greater discounts in competitive classes, are disregarding therapeutic differentiators within classes, are challenging the prices charged for therapeutics, and are negotiating price concessions based on performance goals. In addition, third-party payors are increasingly requiring higher levels of evidence of the benefits and clinical outcomes of new technologies, benchmarking against other therapies, seeking performance-based discounts, and challenging the prices charged. We cannot be sure that coverage will be available for any product candidate that we commercialize and, if available, that the reimbursement rates will be adequate. If payors subject our product candidates to maximum payment amounts, or impose limitations that make it difficult to obtain reimbursement, providers may choose to use therapies which are less expensive when compared to our product candidates. Additionally, if payors require high copayments, beneficiaries may seek alternative therapies. We may need to conduct post-marketing studies in order to demonstrate the cost-effectiveness of any products to the satisfaction of hospitals, other target customers and their third-party payors. Such studies might require us to commit a significant amount of management time and financial and other resources. Our products might not ultimately be considered cost-effective. Adequate third-party coverage and reimbursement might not be available to enable us to maintain price levels sufficient to realize an appropriate return on investment in product development.

In addition, in the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. Further, we believe that future coverage and reimbursement will likely be subject to increased restrictions both in the United States and in international markets. Third-party coverage and reimbursement for our products or product candidates for which we receive regulatory approval may not be available or adequate in either the United States or international markets, which could have a negative effect on our business, financial condition, results of operations, stock price and prospects.

There may also be delays in obtaining coverage and reimbursement for newly approved therapeutics, and coverage may be more limited than the indications for which the product is approved by the FDA or comparable foreign regulatory authorities. Such delays have made it increasingly common for manufacturers to provide newly approved drugs to patients experiencing coverage delays or disruption at no cost for a limited period in order to ensure that patients are able to access the drug. Moreover, eligibility for reimbursement does not imply that any therapeutic will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale, and distribution. Interim reimbursement levels for new therapeutics, if applicable, may also not be sufficient to cover our costs and may only be temporary. Reimbursement rates may vary, by way of example, according to the use of the product and the clinical setting in which it is used. Reimbursement rates may also be based on reimbursement levels already set for lower cost products or may be incorporated into existing payments for other services.

An inability to promptly obtain coverage and adequate reimbursement from third-party payors for any of our product candidates for which we obtain marketing approval could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.
We are subject to new legislation, regulatory proposals and third-party payor initiatives that may increase our costs of compliance, and adversely affect our ability to market our products, obtain collaborators, and raise capital.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any products for which we obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we may receive for any approved products.

For example, the ACA was passed in March 2010 and substantially changed the way healthcare is financed by both governmental and private insurers, and continues to significantly impact the United States pharmaceutical industry. Since its enactment, there have been executive, judicial and political challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, the Tax Cuts and Jobs Act, or the Tax Act, includes a provision repealing the tax-based shared responsibility payment imposed by the ACA 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, a U.S. District Court Judge in the Northern District of Texas, ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. 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 ACA are invalid as well. On March 2, 2020, the United States Supreme Court granted the petitions for writs of certiorari to review this case. The United States Supreme Court heard oral argument in this case on November 10, 2020, and is expected to issue a decision sometime this year. It is unclear when the United States Supreme Court will rule on this case or how such litigation and other efforts to repeal and replace the ACA will impact the ACA and our business. Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include, among other things, aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments, will remain in effect through 2030 with the exception of a temporary suspension from May 1, 2020 through March 31, 2021 due to the COVID-19 pandemic, unless additional Congressional action is taken. In addition, the American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The CMS promulgated regulations governing manufacturers’ obligations and reimbursement under the Medicaid Drug Rebate Program, and promulgated a regulation that limited Medicare Part B payment to certain hospitals for outpatient drugs purchased under the 340B program.

There has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent congressional inquiries and proposed and enacted federal and state 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 products. For example, the Trump 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 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. Additionally, on July 24, 2020 and September 13, 2020, the Trump administration announced several executive orders related to prescription drug pricing that seek to implement several of the administration’s proposals. As a result, the FDA released a final rule on September 24, 2020, effective November 30, 2020, providing guidance for states to build and submit importation plans for drugs from Canada. Further, on November 20, 2020, the Department of Health and Human Services, or HHS, finalized a regulation removing safe harbor protection for price
reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. On November 20, 2020, the CMS issued an interim final rule implementing President Trump’s Most Favored Nation executive order, which would tie Medicare Part B payments for certain physician-administered drugs to the lowest price paid in other economically advanced countries, effective January 1, 2021. On December 28, 2020, the United States District Court in Northern California issued a nationwide preliminary injunction against implementation of the interim final rule. It is unclear whether the Biden administration will work to reverse these measures or pursue similar policy initiatives. Any new laws or regulations that result in additional reductions in Medicare and other healthcare funding could have a material adverse effect on customers for our products, if approved, and, accordingly, on our results of operations.

We expect that the ACA, as well as other federal and state healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria, increased regulatory burdens and operating costs, decreased net revenue from our biopharmaceutical products, decreased potential returns from our development efforts, and additional downward pressure on the price that we receive for any approved product. It is also possible that additional governmental action is taken to address the COVID-19 pandemic. For example, on August 6, 2020, the Trump administration issued an 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. Any reduction in reimbursement from Medicare or other government healthcare 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 commercializing our products and being able to generate revenue, and we could be prevented from or significantly delayed in achieving profitability.

In addition, there have been a number of other legislative and regulatory proposals aimed at changing the biopharmaceutical industry. For instance, the Drug Quality and Security Act of 2013 imposes obligations on manufacturers of biopharmaceutical products related to product tracking and tracing. Further, manufactures have product investigation, quarantine, disposition, and notification responsibilities related to counterfeit, diverted, stolen, and intentionally adulterated products that would result in serious adverse health consequences of death to humans, as well as products that are the subject of fraudulent transactions or which are otherwise unfit for distribution such that they would be reasonably likely to result in serious health consequences or death.

Compliance with the federal track and trace requirements may increase our operational expenses and impose significant administrative burdens. As a result of these and other new proposals, we may determine to change our current manner of operation, provide additional benefits or change our contract arrangements, any of which could have a material adverse effect on our business, financial condition, results of operations, stock price and prospects.

We are subject to the U.S. Foreign Corrupt Practices Act and other anti-corruption laws, as well as import and export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, and other consequences, which could adversely affect our business, financial condition, results of operations, stock price and prospects.

Our operations are subject to anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws that apply in countries where we do business. The FCPA and these other anti-corruption laws generally prohibit us and our employees and intermediaries 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. We can be held liable for the corrupt or other illegal activities of our personnel or intermediaries, even if we do not explicitly authorize or have prior knowledge of such activities.

We are also subject to other laws and regulations governing our international operations, including applicable import and export control regulations, economic sanctions on countries and persons, anti-money laundering laws, customs requirements and currency exchange regulations, collectively referred to as the trade control laws.
We can provide no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws or other legal requirements, including trade control laws. If we are not in compliance with applicable anti-corruption laws or trade control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations, stock price and prospects. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. An investigation of any potential violations of anti-corruption laws or trade control laws by U.S. or other authorities could also have an adverse impact on our reputation, our business, financial condition, results of operations, stock price and prospects.

Failure to comply with health and data protection laws and regulations 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 may be subject to or affected by evolving federal, state and foreign data protection laws and regulations, such as laws and regulations that address privacy and data security. In the United States, numerous federal and state laws and regulations, including federal and state health information privacy laws, state data breach notification laws, and federal and state consumer protection laws, such as Section 5 of the Federal Trade Commission Act, govern the collection, use, disclosure and protection of health information and other personal information. These laws and regulations are subject to differing interpretations and may be inconsistent among jurisdictions, and guidance on implementation and compliance practices are often updated or otherwise revised, which adds to the complexity of processing personal information. 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, as amended HITECH, and its implementing rules and regulations. Depending on the facts and circumstances, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

Foreign data protection laws, including European Union, or EU, Regulation 2016/679, known as the General Data Protection Regulation, or GDPR, may also apply to health-related and other personal information obtained outside of the United States. The GDPR introduced more stringent data protection requirements on the collection, use, and processing of personal data from EU data subjects. Companies that violate the GDPR can face private litigation, restrictions on data processing, as well as fines up to the greater of €20 million or 4% of annual global revenue. The GDPR, which is wide-ranging in scope, imposes several requirements relating to control over personal data by individuals to whom personal data relates, the information that an organization must provide to individuals, the documentation an organization must maintain, the security and confidentiality of personal data, data breach notification, and the use of third party processors in connection with the processing of personal data. The GDPR also imposes strict rules on the transfer of personal data out of the European Economic Area, or EEA, to the United States.

Such transfers typically were facilitated by the E.U.-U.S. Privacy Shield or through the use of Standard Contractual Clauses, or SCCs. The European Court of Justice, however, recently invalidated the use of the E.U.-U.S. Privacy Shield in a decision known as Schrems II. Alternative data transfer mechanisms, including the use of SCCs may still be available while the authorities interpret the decisions and scope of the invalidated Privacy Shield and the alternative permitted data transfer mechanisms. The SCCs, though approved by the European Commission as a suitable alternative, have faced challenges in European courts (including being called into question in Schrems II), and may be further challenged, suspended or invalidated. At present, there are few if any viable alternatives to the Privacy Shield and the SCCs, so such developments may require us to implement costly substitutions for data transfers we undertake, or prevent such transfers entirely. If we are unable to efficiently process personal data from the European Union, or such transfers are prevented entirely, our business operations could be negatively impacted.

Further, the exit of the United Kingdom, or UK, from the EU, referred to as Brexit, has created uncertainty with regard to data protection regulation in the UK. Specifically, while the Data Protection Act of 2018, that “implements” and complements the GDPR achieved Royal Assent on May 23, 2018 and is now effective in the UK, aspects of data protection in the UK, such as the transfer of data from the EEA to the UK, remain uncertain. In particular, with the expiry of the transition period on December 31, 2020, companies must comply with both the
GDPR and the GDPR as incorporated into United Kingdom national law, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, including, for example, around how data can lawfully be transferred between each jurisdiction, which exposes us to further compliance risk. We may, however, incur liabilities, expenses, costs, and other operational losses under GDPR and applicable EU Member States and the UK privacy laws in connection with any measures we take to comply with them.

In addition, the California Consumer Privacy Act, or CCPA, took effect on January 1, 2020. The CCPA creates new individual privacy rights for California consumers (as the word is broadly defined in the law) and places increased privacy and security obligations on many organizations that handle personal information of consumers or households. The CCPA will require covered companies to provide new disclosures to consumers about such companies' data collection, use and sharing practices, provide such consumers with data privacy rights such as rights to access and delete their personal information, receive detailed information about how their personal information is used, and opt-out of certain sharing of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that is expected to increase data breach litigation. The Attorney General and local government attorneys may also bring enforcement actions for alleged violations of the CCPA. Although there are some exemptions for clinical trial data and health information, the CCPA may impact our business activities and increase our compliance costs and potential liability.

Further, California voters approved a new privacy law, the California Privacy Rights Act, or CPRA, in the November 3, 2020 election. Effective starting on January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. New legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts.

Compliance with U.S. and foreign data protection laws and regulations could require us to take on more onerous obligations in our contracts, increase our costs of legal compliance, restrict our ability to collect, use and disclose data, or in some cases, impact our or our partners’ suppliers’ ability to operate in certain jurisdictions. Our or our vendors’ actual or perceived failure to comply with U.S. and foreign data protection laws and regulations could result in government investigations and/or enforcement actions (which could include civil, criminal, and administrative 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 at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees or vendors fail to comply with our published policies, certifications, and documentation. Such failures can subject us to potential international, local, state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices.

Violations of or liabilities under environmental, health and safety laws and regulations could subject us to fines, penalties or other costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures, the handling, use, storage, treatment and disposal of hazardous materials and wastes and the cleanup of contaminated sites. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We would incur substantial costs as a result of violations of or liabilities under environmental requirements in connection with our...
operations or property, including fines, penalties and other sanctions, investigation and cleanup costs and third-party claims. Although we generally contract with third parties for the disposal of hazardous materials and wastes from our operations, we cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

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 or hazardous materials.

Risks Related to Managing Our Growth and Employee and Operational Matters

We are highly dependent on our key personnel, including our Chief Executive Officer, Chief Scientific Officer and Senior Vice President, Clinical Development. If we are not successful in attracting, motivating 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, motivate and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management and particularly on the services of our scientific personnel including Theodore (Ted) Ashburn, M.D., Ph.D., our President and Chief Executive Officer, Christophe Quéva, Ph.D., our Chief Scientific Officer and Senior Vice President, Research and John Goldberg, M.D., our Senior Vice President, Clinical Development. We believe that their drug discovery and development experience and overall biopharmaceutical company management experience, would be difficult to replace. Any of our executive officers could leave our employment at any time, as all of our employees are “at-will” employees. We currently do not have “key person” insurance on any of our employees. The loss of the services of our key personnel and any of our other executive officers, key employees, and scientific and medical advisors, and our inability to find suitable replacements, could result in delays in our research and development objectives and harm our business.

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

We will need to continue to expand the size of our organization, and we may experience difficulties in managing this growth, which could disrupt our operations.

As of December 31, 2020, we had 56 employees, including 43 employees engaged in research and development. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical, FDA and comparable foreign regulatory review process for our product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize ONCR-177 and any other product candidates we develop will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert 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.
We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services. The services include substantially all aspects of clinical trial management and manufacturing. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of ONCR-177 and our other product candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring qualified 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 ONCR-177 and our other product candidates and, accordingly, may not achieve our research, development and commercialization goals.

Public health crises such as pandemics, including the COVID-19 pandemic, or similar outbreaks could materially and adversely affect our business, including the conduct of preclinical studies and clinical trials.

In March 2020, the World Health Organization declared COVID-19 a global pandemic and the United States declared a national emergency with respect to COVID-19. In response to the COVID-19 pandemic, a number of governmental orders and other public health guidance measures have been implemented across much of the United States, including in the locations of our office, clinical trial sites and third parties on whom we rely. We anticipate that our clinical development timelines could be negatively affected by COVID-19, which could materially and adversely affect our business, financial condition and results of operations. Further, we have implemented a work-from-home policy allowing employees who can work from home to do so, while those needing to work in laboratory facilities work in shifts to reduce the number of people gathered together at one time. Business travel has been suspended, and online and teleconference technology is used to meet virtually rather than in person. We have taken measures to secure our research and development project activities, while work in laboratories has been organized to reduce risk of COVID-19 transmission. Our increased reliance on personnel working from home may negatively impact productivity, or disrupt, delay or otherwise adversely impact our business. For example, with our personnel working from home, some of our research activities that require our personnel to be in our laboratories could be delayed.

As a result of the COVID-19 pandemic, or similar pandemics, and related governmental orders and other public health guidance measures, we have and may in the future experience disruptions that could materially and adversely impact our preclinical studies, clinical trials, business, financial condition and results of operations. Potential disruptions might include but are not limited to:

- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in initiating or expanding clinical trials, including delays or difficulties with clinical site initiation and recruiting clinical site investigators and clinical site staff;
- increased rates of patients withdrawing from our clinical trials following enrollment as a result of contracting COVID-19 or other health conditions or being forced to quarantine;
- interruption of key clinical trial activities, such as clinical trial site data monitoring and efficacy, safety and translational data collection, processing and analyses, due to limitations on travel imposed or recommended by federal, state or local governments, employers and others or interruption of clinical trial subject visits, which may impact the collection and integrity of subject data and clinical study endpoints;
- 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;
- delays or disruptions in preclinical experiments and studies due to restrictions of on-site staff and unforeseen circumstances at CROs and vendors;
- interruption or delays in the operations of the FDA and comparable foreign regulatory agencies;
interruption of, or delays in receiving, supplies of our product candidates from third-party providers due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems;

limitations on employee or other resources that would otherwise be focused on the conduct of our clinical trials and preclinical work, including because of sickness of employees or their families, the desire of employees to avoid travel or contact with large groups of people, an increased reliance on working from home, school closures or mass transit disruptions;

changes in regulations as part of a response to the COVID-19 pandemic 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; and

delays in necessary interactions with regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government or contractor personnel.

The COVID-19 global pandemic continues to rapidly evolve. The extent to which the outbreak may affect our preclinical activities, clinical trials, business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted at this time, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and actions to contain the outbreak or treat its impact, such as social distancing and quarantines or lockdowns in the United States, business closures or business disruptions and the effectiveness of actions taken in the United States to contain and treat the disease. Future developments in these and other areas present material uncertainty and risk with respect to our clinical trials, business, financial condition and results of operations.

We depend on our information technology systems, and any failure of these systems could harm our business. Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business, results of operations and financial condition.

We collect and maintain information in digital and other forms that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the privacy, security, confidentiality, availability and integrity of such confidential information. We have established physical, electronic and organizational measures designed to safeguard and secure our systems to prevent a data compromise, and rely on commercially available systems, software, tools and monitoring to provide security for our information technology systems and the processing, transmission and storage of digital information. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may have access to our confidential information. Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors, consultants, vendors, and other third parties on which we rely, are vulnerable to damage or unauthorized access or use resulting from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, denial or degradation of service attacks, ransomware, hacking, phishing and other social engineering attacks, attachments to emails, or intentional or accidental actions or omissions to act by persons inside our organization, or persons with access to systems inside our organization.

The risk of a security breach or disruption or data loss, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, the prevalent use of mobile devices that access confidential information increases the risk of lost or stolen devices, security incidents, and data security breaches, which could lead to the loss of confidential information or other intellectual property. As a result of the COVID-19 pandemic, we may face increased risks of a security breach or disruption due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information
technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service, negative publicity, and other harm to our business, our reputation and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Any security compromise affecting us, our partners or our industry, whether real or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures, and lead to regulatory scrutiny. Moreover, if a computer security breach affects our systems or results in the unauthorized access to or unauthorized use, disclosure, release or other unauthorized processing of personal information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal, state, and foreign privacy and security laws, if applicable, including HIPAA, as amended HITECH, and its implementing rules and regulations, as well as regulations promulgated by the Federal Trade Commission, state data breach notification laws, and the GDPR. We would also be exposed to a risk of loss, governmental investigations or enforcement, or litigation and potential liability, any of which could materially adversely affect our business, results of operations and financial condition.

We face potential product liability exposure, and if successful claims are brought against us, we may incur substantial liability and have to limit the commercialization of any approved products and/or our product candidates. The use of our product candidates in clinical trials, and the sale of any product for which we obtain regulatory approval, exposes us to the risk of product liability claims. We face inherent risk of product liability related to the testing of our product candidates in human clinical trials, including liability relating to the actions and negligence of our investigators, and will face an even greater risk if we commercially sell any product candidates that we may develop. For example, we may be sued if any product candidate we develop allegedly causes injury or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. Product liability claims might be brought against us by consumers, healthcare providers or others using, administering or selling our products. If we cannot successfully defend ourselves against these claims, we will incur substantial liabilities or be required to limit commercialization of our product candidates. Even successful defense would require significant financial and management resources. Regardless of merit or eventual outcome, liability claims may result in:

- loss of revenue from decreased demand for our products and/or product candidates;
- impairment of our business reputation or financial stability;
- costs of related litigation;
- substantial monetary awards to patients or other claimants;
- diversion of management attention;
- withdrawal of clinical trial participants and potential termination of clinical trial sites or entire clinical programs;
- the inability to commercialize our product candidates;
- significant negative media attention;
- decreases in our stock price;
- initiation of investigations and enforcement actions by regulators; and
- product recalls, withdrawals or labeling, marketing or promotional restrictions, including withdrawal of marketing approval.

We believe we have sufficient insurance coverage in place for our business operations. However, our insurance coverage may not reimburse us or may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. We intend to expand our insurance coverage to include clinical trials and the sale of commercial products if we obtain FDA or comparable foreign regulatory approval for our product candidates in development, but we may be unable to
obtain commercially reasonable product liability insurance for any products approved for marketing, or at all. Failure to obtain and retain sufficient product liability insurance at an acceptable cost could prevent or inhibit the commercialization of products we develop. On occasion, large judgments have been awarded in class action lawsuits based on therapeutics that had unanticipated side effects. A successful product liability claim or series of claims brought against us could cause our stock price to fall and, if judgments exceed our insurance coverage, could decrease our cash, and materially harm our business, financial condition, results of operations, stock price and prospects.

Our employees, independent contractors, consultants, commercial partners, principal investigators, CMOs, or CROs may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading, which could have a material adverse effect on our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees, independent contractors, consultants, commercial partners, principal investigators, CMOs or CROs could include intentional, reckless, negligent, or unintentional failures to comply with FDA regulations, comply with applicable fraud and abuse laws, provide accurate information to the FDA, properly calculate pricing information required by federal programs, report financial information or data accurately or disclose unauthorized activities to us. This misconduct could also involve the improper use or misrepresentation of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter this type of 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 be in compliance with such laws or regulations. Moreover, it is possible for a whistleblower to pursue a False Claims Act case against us even if the government considers the claim unmeritorious and/or declines to intervene, which could require us to incur costs defending against such a claim. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition, results of operations, stock price and prospects, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in U.S. federal healthcare programs, integrity oversight and reporting obligations to resolve allegations of non-compliance, imprisonment, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations.

We have generated significant net operating loss (NOL) carryforwards and research and development tax credits, and our ability to utilize our net operating loss carryforwards and research and development tax credits to reduce future tax payments may be limited or restricted.

We have generated significant NOL carryforwards and research and development tax credits, or R&D credits, as a result of our incurrence of losses and our conduct of research activities since inception. As of December 31, 2019, we had federal and state NOL carryforwards of $66.4 million and $65.3 million, respectively. We do not anticipate generating revenue from sales of products for the foreseeable future, if ever, and we may never achieve profitability. Our U.S. federal NOL carryforwards generated prior to 2018 will expire if not utilized beginning in 2035. These NOL carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under the Tax Act, as modified by the CARES Act, U.S. federal NOLs incurred in tax years beginning after December 31, 2017 may be carried forward indefinitely, but the utilization of U.S. federal NOLs generated in tax years beginning after December 31, 2020 is limited. As of December 31, 2019, we also had federal and state R&D credit carryforwards of $2.3 million and $1.1 million, respectively. Our federal R&D credit carryforwards begin to expire in 2035 and our state R&D credit carryforwards begin to expire in 2033. These R&D credit carryforwards could expire unused and be unavailable to offset future income tax liabilities.

Under Sections 382 and 383 of the Code, and corresponding provisions of state law, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOL carryforwards and R&D credits to offset its post-change income and taxes, respectively, may be limited. For purposes of these rules, an "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. The application of these rules could limit the amount of NOLs or R&D credit carryforwards that we can utilize annually to offset future taxable income or tax liabilities. 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 NOL and R&D credit carryforwards are subject to review and possible adjustment by U.S. and state tax authorities.

Risks Related to Our Common Stock and This Offering

An active, liquid and orderly trading market for our common stock may not develop or be sustained, and as a result you may not be able to resell your shares at or above the public offering price.

An active, liquid and orderly trading market for our shares may not develop or be sustained following this offering. The public offering price may not be indicative of the market price of our common stock after this offering. In the absence of an active and liquid trading market for our common stock, investors may not be able to sell their common stock at or above the public offering price or at the time that they would like to sell. An inactive trading market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to enter into collaborations or acquire other companies or technologies using our shares as consideration.

Our quarterly operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause our stock price to fluctuate or decline.

We expect our operating results to be subject to quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including:

- variations in the level of expense related to the ongoing development of our product candidates, preclinical development programs and our oHSV Platform and synthetic viral platform;
- results of preclinical studies and future clinical trials, or the addition or termination of future clinical trials or funding support by us, or future collaborators or licensing partners;
- our execution of any collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under existing or future arrangements or the termination or modification of any such existing or future arrangements;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- additions and departures of key personnel;
- strategic decisions by us, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any of our product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such product candidates; and
- regulatory developments affecting our product candidates.

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

The market price of our common stock has been and is likely to continue to be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering.

Our stock price has been highly volatile since our IPO and is likely to continue to be volatile. The stock market in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme price and volume fluctuations that have been often unrelated or disproportionate to the operating performance of the issuer. In particular, the trading prices for pharmaceutical, biopharmaceutical and biotechnology companies have been highly volatile as a result of the impact of the COVID-19 pandemic. As a result of this volatility, you may not be able to sell your common stock at or above the public offering price. The market price for our common stock may be influenced by many factors, including:

- results from, and any delays in, our clinical trial for ONCR-177, our preclinical studies and any other future clinical development programs, including any delays related to the COVID-19 pandemic;
actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;

- commencement or termination of collaboration, licensing or similar arrangements for our development programs;
- announcements by our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- failure or discontinuation of any of our development programs;
- results of clinical trials of product candidates of our competitors;
- developments or setbacks related to drugs that are co-administered with any of our product candidates, such as checkpoint inhibitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to the development of ONCR-177 and any other product candidate we may develop;
- variations in our financial results or those of companies that are perceived to be similar to us;
- announcements or expectations of additional financing efforts by us;
- sales of our common stock by us, our insiders or other stockholders;
- expiration of market stand-off or lock-up agreements;
- recommendations and changes in estimates or recommendations by securities analysts, if any, that cover our stock;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, political, and market conditions and overall fluctuations in the financial markets in the United States and abroad;
- and
- investors' general perception of us and our business.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from selling their shares at or above the price paid for the shares and may otherwise negatively affect the liquidity of our common stock.

**We could be subject to securities class action litigation.**

In the past, securities class action litigation has often been brought against public companies following declines in the market prices of their securities. This risk is especially relevant for biopharmaceutical companies, which 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 our resources, which could harm our business.

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

You will suffer immediate and substantial dilution with respect to the common stock you purchase in this offering. Based on an assumed public offering price of $23.85 per share, which was the last reported sale price of our common stock on the Nasdaq Global Market on February 8, 2021, and assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and that the underwriters do not exercise their option to acquire additional common stock in this offering, purchasers of common stock in this offering will experience immediate dilution of $15.57 per share, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to this offering and the assumed public offering price. In the past, we have issued options and warrants to purchase common stock at prices significantly below the public offering price. To the extent these outstanding securities are ultimately exercised, investors purchasing common stock in this offering will sustain further dilution. See “Dilution” for a more detailed description of the dilution to new investors in the offering.
We have broad discretion in how we use the proceeds of this offering and may not use these proceeds effectively, which could affect our results of operations and cause our stock price to decline.

We will have considerable discretion in the application of the net proceeds of this offering. Because of the number and variability of factors that will determine our use of the net proceeds, their ultimate use may vary substantially from their currently intended use. Management might not apply our net proceeds in ways that ultimately increase the value of your investment. While we expect to use the net proceeds from this offering as set forth in “Use of Proceeds,” we are not obligated to do so. As a result, investors will be relying upon management’s judgment with only limited information about our specific intentions for the use of the balance of the net proceeds of this offering. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

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

You should not rely on an investment in our common stock to provide dividend income. 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, which may never occur, as the only way to realize any return on their investment.

Our executive officers, directors, and stockholders and their affiliates who beneficially own more than 5% of our common stock will continue to exercise significant influence over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Based upon the number of shares of our common stock outstanding as of December 31, 2020, and after giving effect to the sale of 3,000,000 shares in this offering, immediately following the completion of this offering, the existing holdings of our executive officers, directors, and stockholders and their affiliates who beneficially own more than 5% of our common stock will represent beneficial ownership, in the aggregate, of approximately 55.2% of our outstanding common stock, assuming no exercise of the underwriters’ option to acquire additional common stock in this offering. As a result, these stockholders, if they act together, will be able to exercise significant influence over our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. These stockholders acquired their shares of common stock at prices per share that were substantially less than the per share price of the shares of common stock being sold in this offering, these stockholders may have interests with respect to their common stock that are different from those of investors in this offering, and the concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of our company;
- impeding a merger, consolidation, takeover or other business combination involving our company; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our company.

See “Principal Stockholders” in this prospectus for more information regarding the ownership of our outstanding common stock by our executive officers, directors, principal stockholders and their respective affiliates.

Conflicts of interest may arise because some members of our board of directors are representatives of our principal stockholders.

Certain of our principal stockholders or their affiliates are venture capital funds or other investment vehicles that could invest in entities that directly or indirectly compete with us. As a result of these relationships, conflicts may arise between the interests of the principal stockholders or their affiliates and the interests of other stockholders, and members of our board of directors that are representatives of such principal stockholders may not be disinterested in such conflicts. Neither the principal stockholders nor the representatives of the principal stockholders on our board of directors, by the terms of our amended and restated certificate of incorporation, are required to offer us any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it their other affiliates, unless such opportunity is expressly offered to them solely in their capacity as members of our board of directors. We expect that all decisions made by our executive officers and directors will be made in accordance with their duties and obligations to deal fairly and in good faith and to act in
the best interests of us and our stockholders, as well as in compliance with our Code of Business Conduct and Ethics, which includes a “conflicts of interest” section applicable to all employees, executive officers and directors.

**Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.**

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the lock-up, stand-off and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares of common stock outstanding as of December 31, 2020 and the sale of 3,000,000 shares in this offering, upon the completion of this offering, we will have outstanding a total of 25,617,938 shares of common stock, assuming no exercise of the underwriters’ option to purchase an additional 450,000 shares. Of these shares, the 3,000,000 shares sold by us in this offering will be freely tradable without restriction in the public market immediately following this offering unless purchased by our “affiliates”. Under the Securities Act of 1933, as amended, or the Securities Act, an “affiliate” of an issuer is a person who directly or indirectly controls, is controlled by or is under common control with that issuer. The remaining shares are currently restricted under securities laws or as a result of lock-up or other agreements, but will be able to be sold after this offering as described in “Shares Eligible for Future Sale.” In connection with this offering, each of our directors and officers and certain of our stockholders will enter into lock-up agreements with the underwriters that restrict their ability to sell or transfer their shares. In connection with our IPO, each of our officers, directors and substantially all of our stockholders entered into lock-up agreements with the underwriters that restrict their ability to sell or transfer their shares. The lock-up agreements pertaining to this offering will expire 90 days from the date of this prospectus, and the lock-up agreements pertaining to our IPO will expire 180 days from the date of effectiveness of our IPO registration statement. However, the representatives of the underwriters may release stockholders from their lock-up agreements with the underwriters at any time and without notice, which would allow for earlier sales of shares in the public market. See “Underwriting” for a description of these lock-up agreements.

In addition, as of December 31, 2020, approximately 5.3 million shares of common stock were either subject to outstanding options, reserved for future issuance under our equity incentive plans or subject to outstanding warrants that will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements described above and applicable securities laws. We have registered under the Securities Act all of these shares that were able to be issued under our equity incentive plans as of December 31, 2020. In addition, on January 1, 2021, a further 1,130,896 shares of our common stock were reserved for future issuance pursuant to the 2020 Plan in accordance with the terms of the 2020 Plan and we intend to file an additional registration statement on Form S-8 to register these shares under the Securities Act. Once any of the foregoing shares are registered under the Securities Act, they can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates and the lock-up agreements described above. If any of the additional shares of common stock described above are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

Furthermore, the holders of approximately 15.0 million shares of our common stock, or their permitted transferees, are entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. See “Description of Capital Stock—Registration Rights.” Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

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

The trading market for our common stock will rely, in part, on the research and reports that industry or financial analysts publish about us or our business. If no or few analysts commence or continue coverage of us, the trading price of our stock would likely decrease. Even if we do obtain and maintain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which, in turn, could cause our stock price to decline.
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 and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Nasdaq listing requirements and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain and maintain director and officer liability insurance and we may be required to incur substantial costs to maintain sufficient coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. The increased costs may require us to reduce costs in other areas of our business or increase the prices of our services. Moreover, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

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

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (iii) exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not approved previously. In addition, as an emerging growth company, we are only required to provide two years of audited financial statements and two years of selected financial data in this prospectus. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our consolidated financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an “emerging growth company” or affirmatively and irrevocably opt out of the exemption provided by Section 7(a)(2)(B) of the Securities Act, upon issuance of a new or revised accounting standard that applies to our consolidated financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting standard.

We could be an emerging growth company until December 31, 2025, although circumstances could cause us to lose that status earlier, including if we are deemed to be a “large accelerated filer,” which occurs when the market value of our common stock that is held by non-affiliates equals or exceeds $700.0 million as of the prior June 30, or if we have total annual gross revenue of $1.07 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31, or if we issue more than $1.0 billion in non-convertible debt during any three-year period before that time, in which case we would no longer be an emerging growth company immediately. Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company,” which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in this prospectus and in our periodic reports and proxy statements.
We cannot predict if investors will find our common stock less attractive because we may rely on the exemptions and reduced disclosure obligations applicable to emerging growth companies and smaller reporting companies. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

If we fail to maintain proper and effective internal controls over financial reporting our ability to produce accurate and timely financial statements could be impaired.

Pursuant to Section 404 of the Sarbanes-Oxley Act, our management will be required to report upon the effectiveness of our internal control over financial reporting beginning with our second annual report on Form 10-K, which we expect to file in the first quarter of 2022. When we lose our status as an “emerging growth company” and a “smaller reporting company,” our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Securities Exchange Act of 1934, as amended, or the Exchange Act, we will need to implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff.

We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

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

We are subject to the periodic reporting requirements of the Exchange Act and must design 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 a required related party transaction disclosure. 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.

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

Provisions in our corporate charter and bylaws and provisions of Delaware law may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that not all members of the board are elected at one time;
allow the authorized number of our directors to be changed only by resolution of our board of directors;
limit the manner in which stockholders can remove directors from the board;
establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
prohibit our stockholders from calling a special meeting of our stockholders;
authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a stockholder rights plan, or so-called “poison pill,” that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
require the approval of the holders of at least 66 2/3% of the votes that all our stockholders would be entitled to cast to amend or repeal certain provisions of our charter or bylaws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns 15% or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired 15% or more of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our stock.

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

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

any derivative action or proceeding brought on our behalf;
an 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;
an 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;
an action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; and
any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation further provides that the federal district courts of the United States will be the exclusive forum for resolving 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. 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.
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, which may discourage these types of lawsuits. If a court were to find either exclusive forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving such action in other jurisdictions, which could seriously harm our business.
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are contained principally in the sections of this prospectus titled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” but are also contained elsewhere in this prospectus. In some cases, you can identify forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “predict,” “project,” “potential,” “should,” or “would,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain.

These forward-looking statements include statements about:

- the effects of the ongoing COVID-19 pandemic including the impact on the initiation, patient enrollment, development and operation of our programs and clinical trials;
- our preclinical and clinical development plans, including our ongoing Phase 1 clinical trial of ONCR-177;
- our ability to receive the required regulatory approvals and clearances to successfully market and sell our products in the United States and certain other countries;
- our ability to successfully advance our pipeline of product candidates;
- our ability to develop sales and marketing capabilities;
- the rate and degree of market acceptance of any products we are able to commercialize;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to obtain funding for our operations;
- our ability to establish and maintain collaborations;
- our ability to effectively manage our anticipated growth;
- our ability to maintain, protect and enhance our intellectual property rights and proprietary technologies;
- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- costs associated with defending intellectual property infringement, product liability and other claims;
- regulatory developments in the United States and other foreign countries;
- our ability to attract and retain qualified employees;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance;
- our expected use of proceeds of this offering; and
- the future trading prices of our common stock and the impact of securities analysts’ reports on these prices.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions described under the section titled “Risk Factors” and elsewhere in this prospectus. We also operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, 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 these risks, uncertainties and assumptions, the forward-looking events and circumstances described in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements contained in this prospectus.
You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, events, circumstances or achievements reflected in the forward-looking statements will ever be achieved or occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

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 our forward-looking statements by these cautionary statements.
INDUSTRY AND MARKET DATA

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties as well as our own estimates of potential market opportunities. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. We believe that these third-party sources and estimates are reliable, but have not independently verified them. Our estimates of the potential market opportunities for our product candidates include several key assumptions based on our industry knowledge, industry publications, third-party research and other surveys, which may be based on a small sample size and may fail to accurately reflect market opportunities.

In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily 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” and elsewhere in this prospectus. 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 the net proceeds to us from this offering will be approximately $66.7 million, or approximately $76.7 million if the underwriters exercise in full their option to purchase additional shares from us, in each case after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us and based on an assumed public offering price of $23.85 per share, which was the last reported sale price of our common stock on the Nasdaq Global Market on February 8, 2021.

Each $1.00 increase or decrease in the assumed public offering price would increase or decrease the net proceeds to us from this offering by approximately $2.8 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 estimated underwriting discounts and commissions payable by us. We may also increase or decrease the number of shares we are offering. Each 1,000,000 share increase or decrease in the number of shares offered by us would increase or decrease the net proceeds to us from this offering by approximately $22.4 million, assuming that the public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

We intend to use the net proceeds of this offering, along with our current cash and cash equivalents, as follows:

- approximately $30.0 million to fund continued buildout of our manufacturing capabilities;
- approximately $5.0 million to advance ONCR-177 through our Phase 1 clinical trial, including monotherapy, combination therapy, and expansion cohorts, as well as additional clinical development expenses;
- approximately $5.0 million to fund the continued development and preclinical expenses of our product candidates in our Synthetic Platform; and
- the remaining proceeds for working capital and general corporate purposes.

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

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and prevailing business conditions, which could change in the future as such plans and conditions evolve. Predicting the costs necessary to develop product candidates can be difficult, and the amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development, the status of and results from preclinical studies and clinical trials, any collaborations that we may enter into with third parties and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

Based on our current plans, we believe that our existing cash and cash equivalents, together with the proceeds from the IPO and the anticipated net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements into late 2023. The expected net proceeds from this offering will not be sufficient for us 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. For additional information regarding our potential capital requirements, see “Risk Factors.”

Pending these uses, we plan to invest these net proceeds in short-term, interest bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the United States.
DIVIDEND POLICY

We have never declared or paid any dividends on our capital stock. We currently intend to retain all available funds and any future earnings for the operation and expansion of our business and, therefore, we do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of dividends will be at the discretion of our board of directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in any future debt agreements, and other factors that our board of directors may deem relevant.
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, giving effect to (1) the automatic conversion of all of our outstanding shares of redeemable convertible preferred stock into an aggregate of 14,951,519 shares of our common stock on October 6, 2020, and (2) the sale of an aggregate of 6,557,991 shares in our initial public offering at a public offering price of $15.00 per share, which includes shares issued upon the partial exercise of the underwriters’ option to purchase additional shares, after deducting the underwriting discounts and commissions and offering expenses payable by us; and
- on a pro forma as adjusted basis to reflect (1) the pro forma items described immediately above and (2) the sale of 3,000,000 shares of common stock in this offering at an assumed public offering price of $23.85 per share, which was the last reported sale price of our common stock on the Nasdaq Global Market on February 8, 2021, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The information below is illustrative only, and our capitalization following the closing of this offering will depend on the actual public offering price and other terms of the offering determined at the pricing of this offering.

You should read this table together with the sections of this prospectus titled “Selected Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

<table>
<thead>
<tr>
<th>AS OF SEPTEMBER 30, 2020</th>
<th>ACTUAL</th>
<th>PRO FORMA</th>
<th>PRO FORMA AS ADJUSTED (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 54,019</td>
<td>$ 144,387</td>
<td>$ 211,044</td>
</tr>
<tr>
<td>Redeemable convertible preferred stock:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A-1 redeemable convertible preferred stock, $0.0001 par value; 76,500 shares authorized, 76,500 shares issued and outstanding, actual; 0 shares authorized, issued or outstanding, pro forma and pro forma as adjusted</td>
<td>68,220</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Series B redeemable convertible preferred stock, $0.0001 par value; 104,225 shares authorized, 104,225 shares issued and outstanding, actual; 0 shares authorized, issued or outstanding, pro forma and pro forma as adjusted</td>
<td>105,668</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Preferred stock, $0.0001 par value; 0 shares authorized, issued or outstanding, actual; 10,000 shares authorized, 0 shares issued or outstanding, pro forma and pro forma as adjusted</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock, $0.0001 par value; 227,000 shares authorized, 1,072 shares issued and outstanding, actual; 100,000 shares authorized, 22,581 shares issued and outstanding, pro forma; 100,000 shares authorized, 25,581 shares issued and outstanding, pro forma as adjusted</td>
<td>—</td>
<td>2,691</td>
<td>330,347</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>(118,257)</td>
<td>(118,257)</td>
<td>(118,257)</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>145,436</td>
<td>212,093</td>
<td></td>
</tr>
<tr>
<td>Total stockholders’ (deficit) equity</td>
<td>$ 55,631</td>
<td>$ 145,436</td>
<td>$ 212,093</td>
</tr>
</tbody>
</table>

70
The pro forma as adjusted information set forth above is illustrative only and will change based on the actual public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed public offering price would increase or decrease pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ (deficit) equity and total capitalization by approximately $2.8 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 estimated underwriting discounts and commissions payable by us. We may also increase or decrease the number of shares we are offering. Each 1,000,000 share increase or decrease in the number of shares offered by us would increase or decrease pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ (deficit) equity and total capitalization by approximately $22.4 million, assuming that the public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

The number of shares of common stock shown as issued and outstanding in the table above, on an actual basis, is based on 1,094,365 shares of common stock outstanding as of September 30, 2020, but excludes 22,406 shares of our common stock subject to forfeiture and our right of repurchase. The number of shares of common stock shown as issued and outstanding in the table above, on an actual, pro forma and pro forma as adjusted basis, also excludes:

- 2,109,151 shares of our common stock issuable upon the exercise of options outstanding as of September 30, 2020, at a weighted-average exercise price of $3.81 per share;
- 71,544 shares of common stock issuable upon the exercise of warrants to purchase shares of our common stock outstanding as of September 30, 2020, at a weighted-average exercise price of $1.21 per share;
- 2,819,048 shares of our common stock reserved for future issuance pursuant to our 2020 Plan, which became effective upon the execution of the underwriting agreement related to the IPO on October 1, 2020, of which stock options to purchase an aggregate of 718,213 shares of common stock, were granted subsequent to September 30, 2020 at a weighted-average exercise price of $21.07 per share, an additional 1,130,896 shares of our common stock that were reserved for future issuance pursuant to the 2020 Plan on January 1, 2021 in accordance with the terms of the 2020 Plan, as well as any additional shares which may be reserved pursuant to provisions in our 2020 Plan that automatically increase the number of shares of common stock reserved for issuance under the 2020 Plan; and
- 280,000 shares of our common stock reserved for future issuance under our ESPP, which became effective upon the execution of the underwriting agreement related to the IPO on October 1, 2020, as well as any shares which may be reserved pursuant to provisions in the ESPP that automatically increase the number of shares of common stock reserved for issuance under the ESPP.
If you invest in our common stock in this offering, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after the closing of this offering.

Our historical net tangible book value (deficit) as of September 30, 2020 was $(118.3) million, or $(108.06) per share of common stock. Our historical net tangible book value (deficit) is the amount of our total tangible assets less our liabilities and redeemable convertible preferred stock, which is not included within stockholders’ (deficit) equity. Historical net tangible book value (deficit) per share is our historical net tangible book value (deficit) divided by the 1,094,365 shares of common stock outstanding as of September 30, 2020, including 22,406 shares of unvested restricted stock.

Our pro forma net tangible book value as of September 30, 2020 was $145.4 million, or $6.43 per share of common stock. Pro forma net tangible book value per share is our pro forma net tangible book value divided by the total number of shares of common stock outstanding as of September 30, 2020, including unvested restricted stock, after giving effect to (i) the automatic conversion of all of our outstanding shares of redeemable convertible preferred stock into an aggregate of 14,951,519 shares of our common stock on October 6, 2020, and (ii) the sale of an aggregate of 6,557,991 shares of our common stock in our initial public offering at a public offering price of $15.00 per share, which includes shares issued upon the partial exercise of the underwriters’ option to purchase additional shares, after deducting the underwriting discounts and commissions and offering expenses payable by us.

Our pro forma as adjusted net tangible book value is our pro forma net tangible book value, after giving further effect to the sale of 3,000,000 shares of common stock in this offering at an assumed public offering price of $23.85 per share, which was the last reported sale price of our common stock on the Nasdaq Global Market on February 8, 2021, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Our pro forma as adjusted net tangible book value as of September 30, 2020 was $212.1 million, or $8.28 per share of common stock. This amount represents an immediate increase in pro forma net tangible book value of $1.85 per share to our existing stockholders and an immediate dilution of $15.57 per share to new investors participating in this offering. We determine dilution per share to new investors by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed public offering price per share paid by new investors.

The following table illustrates this dilution on a per share basis to new investors:

<table>
<thead>
<tr>
<th>Assumed public offering price per share</th>
<th>$23.85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical net tangible book value (deficit) per share as of September 30, 2020</td>
<td>$(108.06)</td>
</tr>
<tr>
<td>Increase per share attributable to the pro forma adjustments described above</td>
<td>114.49</td>
</tr>
<tr>
<td>Pro forma net tangible book value per share as of September 30, 2020</td>
<td>6.43</td>
</tr>
<tr>
<td>Increase in pro forma net tangible book value per share attributed to new investors purchasing shares from us in this offering</td>
<td>1.85</td>
</tr>
<tr>
<td>Pro forma as adjusted net tangible book value per share after giving effect to new investors purchasing shares from us in this offering</td>
<td>8.28</td>
</tr>
<tr>
<td>Dilution per share to new investors participating in this offering</td>
<td>$15.57</td>
</tr>
</tbody>
</table>

The dilution information discussed above is illustrative only and will change based on the actual public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed public offering price would increase or decrease the pro forma as adjusted net tangible book value per share by $0.11 per share and the dilution per share to investors participating in this offering by $0.89 per share, 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 estimated underwriting discounts and commissions payable by us. We may also increase or decrease the
number of shares we are offering. Each 1,000,000 share increase 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 by $0.53 and decrease the dilution per share to investors participating in this offering by $0.53, assuming the public offering price remains the same and after deducting estimated underwriting discounts and commissions payable by us. Each 1,000,000 share decrease 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 $0.57 and increase the dilution per share to new investors participating in this offering by $0.57, assuming the public offering price remains the same and after deducting estimated underwriting discounts and commissions payable by us.

If the underwriters exercise in full their option to purchase an additional 450,000 shares of our common stock in this offering, the pro forma as adjusted net tangible book value would increase to $8.53 per share, representing an immediate increase to existing stockholders of $2.10 per share and the dilution per share to new investors participating in this offering would be $15.32 per share, assuming the public offering price remains the same and after deducting estimated underwriting discounts and commissions payable by us.

The table and calculations above are based on 1,094,365 shares of our common stock outstanding as of September 30, 2020, which includes 22,406 shares of our common stock subject to forfeiture and our right of repurchase, and excludes:

- 2,109,151 shares of our common stock issuable upon the exercise of options outstanding as of September 30, 2020, at a weighted-average exercise price of $3.81 per share;
- 71,544 shares of common stock issuable upon the exercise of warrants to purchase shares of our common stock outstanding as of September 30, 2020, at a weighted-average exercise price of $1.21 per share;
- 2,819,048 shares of our common stock reserved for future issuance pursuant to our 2020 Plan, which became effective upon the execution of the underwriting agreement related to the IPO on October 1, 2020, of which stock options to purchase an aggregate of 718,213 shares of common stock were granted subsequent to September 30, 2020, at a weighted-average exercise price of $21.07 per share, an additional 1,130,896 shares of our common stock that were reserved for future issuance pursuant to the 2020 Plan on January 1, 2021 in accordance with the terms of the 2020 Plan, as well as any additional shares which may be reserved pursuant to provisions in our 2020 Plan that automatically increase the number of shares of common stock reserved for issuance under the 2020 Plan; and
- 280,000 shares of our common stock reserved for future issuance under our ESPP, which became effective upon the execution of the underwriting agreement related to the IPO on October 1, 2020, as well as any shares which may be reserved pursuant to provisions in the ESPP that automatically increase the number of shares of common stock reserved for issuance under the ESPP.

To the extent that any outstanding options or warrants are exercised, or new shares are issued under our equity incentive plans at per share prices below the price to the public in this offering, there will be further dilution to investors participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.
SELECTED FINANCIAL DATA

The following tables set forth our selected consolidated statement of operations and balance sheet data. The selected consolidated statement of operations data presented below for the years ended December 31, 2018 and 2019 and the selected consolidated balance sheet data as of December 31, 2018 and 2019 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statement of operations data presented below for the nine months ended September 30, 2019 and 2020 and the selected consolidated balance sheet data as of September 30, 2020 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. The selected financial data below should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in any future period, and results for the nine-month period ended September 30, 2020 are not necessarily indicative of the results to be expected for the full year ended December 31, 2020. The selected financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th>(in thousands, except per share data)</th>
<th>YEAR ENDED DECEMBER 31</th>
<th>NINE MONTHS ENDED SEPTEMBER 30</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Statement of Operations Data:</strong></td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$12,541</td>
<td>$24,047</td>
</tr>
<tr>
<td>General and administrative</td>
<td>6,037</td>
<td>7,119</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>18,578</td>
<td>31,166</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(18,578)</td>
<td>(31,166)</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>532</td>
<td>462</td>
</tr>
<tr>
<td>Net loss and comprehensive loss</td>
<td>(18,046)</td>
<td>(30,704)</td>
</tr>
<tr>
<td>Accretion of discount and dividends on redeemable convertible preferred stock</td>
<td>(98)</td>
<td>(4,287)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$22.88</td>
<td>$37.42</td>
</tr>
<tr>
<td>Weighted-average number of common shares outstanding—basic and diluted (1)</td>
<td>793</td>
<td>935</td>
</tr>
</tbody>
</table>

1. See Note 2 and Note 12 to our annual consolidated financial statements and Note 2 and Note 10 to our interim consolidated financial statements included elsewhere in this prospectus for a description of the method used to calculate basic and diluted net loss per share.
<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>AS OF DECEMBER 31, 2018</th>
<th>AS OF SEPTEMBER 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 20,079</td>
<td>$ 45,286</td>
</tr>
<tr>
<td>Working capital (1)</td>
<td>18,210</td>
<td>40,963</td>
</tr>
<tr>
<td>Total assets</td>
<td>25,656</td>
<td>50,826</td>
</tr>
<tr>
<td>Redeemable convertible preferred stock</td>
<td>60,893</td>
<td>116,632</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(40,983)</td>
<td>(74,297)</td>
</tr>
<tr>
<td>Total stockholders’ deficit</td>
<td>(40,077)</td>
<td>(74,297)</td>
</tr>
</tbody>
</table>

1. We define working capital as current assets less current liabilities.
The following discussion and analysis should be read in conjunction with “Selected Financial Data” and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results and the timing of selected events could differ materially from those described in or implied by these forward-looking statements as a result of several factors, including those set forth under “Risk Factors” and elsewhere in this prospectus. You should carefully read the “Risk Factors” section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled “Special Note Regarding Forward-Looking Statements.”

Overview

We are a biopharmaceutical company focused on developing next-generation, systemically active viral immunotherapies to transform outcomes for cancer patients. Using our two distinct proprietary platforms, we are developing a pipeline of intratumorally and intravenously administered product candidates designed to selectively attack and kill tumor cells and deliver transgenes to stimulate multiple arms of the immune system against tumors. Our lead product candidate, ONCR-177, is an intratumorally administered viral immunotherapy based on our oncolytic HSV-1 platform, referred to as our oHSV Platform, which leverages the Herpes Simplex Virus-1, or HSV-1, a virus which has been clinically proven to effectively treat certain cancers. Utilizing this proprietary platform, we are engineering our product candidates, such as ONCR-177, to carry greater numbers of immunostimulatory transgenes than viral immunotherapies that are either currently approved or in clinical development. These transgenes are designed to drive strong systemic anti-tumor immunity to elicit tumor responses at injected and distant non-injected tumor sites, or abscopal activity. In addition, viruses from our oHSV Platform maintain full viral replication competency in tumors and are designed to be selectively attenuated in normal tissues. We believe this unique combination of features allows us to break the safety versus potency trade-off that has generally limited the viral immunotherapy field to date. In June 2020, we initiated a Phase 1 clinical trial of ONCR-177 in several different tumor types. We are also developing a broad pipeline of product candidates that leverages our second platform, which we refer to as our Synthetic Platform, to enable repeat intravenous administration of viral immunotherapies in order to treat cancers that are less amenable to intratumoral injection due to safety and feasibility reasons, such as cancers of the lung.

From inception through September 30, 2020, we have raised an aggregate of $150.9 million of gross proceeds through the issuance of redeemable convertible preferred stock.

We completed our IPO in October 2020, in which we issued an aggregate of 6,557,991 shares of common stock at a public offering price of $15.00 per share. The aggregate net proceeds to us from the IPO were approximately $88.3 million, after deducting underwriting discounts and commissions and $3.2 million of offering expenses payable by us.

Since inception, we have incurred significant operating losses. Our net losses were $18.0 million and $30.7 million for the years ended December 31, 2018 and 2019, respectively, and $36.7 million for the nine months ended September 30, 2020. As of September 30, 2020, we had an accumulated deficit of $118.3 million. We expect to continue to incur significant and increasing expenses and operating losses for the foreseeable future, as we advance our current and future product candidates through preclinical and clinical development, manufacture drug product and drug supply, seek regulatory approval for our current and future product candidates, maintain and expand our intellectual property portfolio, hire additional research and development and business personnel and operate as a public company.

Since inception, our operations have focused on organizing and staffing our company, business planning, raising capital, acquiring and developing our technology, establishing our intellectual property portfolio, identifying potential product candidates and undertaking preclinical studies, clinical trials and manufacturing. We do not have any products approved for sale and have not generated any revenue from product sales. We will not generate revenue.
from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates. In addition, if we obtain regulatory approval for our product candidates and do not enter into a third-party commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing, manufacturing and distribution activities.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances and licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on acceptable terms, or at all. Our failure to raise capital or enter into such agreements as, and when needed, could have a material adverse effect on our business, results of operations and financial condition.

As of September 30, 2020, we had cash and cash equivalents of $54.0 million. We received $88.3 million in net proceeds from the IPO. We believe that our existing cash and cash equivalents, together with the proceeds from the IPO and the anticipated net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements into late 2023.

**Impact of the COVID-19 Pandemic on Our Business**

In March 2020, the World Health Organization declared COVID-19 a global pandemic and the United States declared a national emergency with respect to COVID-19. In response to the COVID-19 pandemic, a number of governmental orders and other public health guidance measures have been implemented across much of the United States, including in the locations of our office, clinical trial sites and third parties on whom we rely. We anticipate that our clinical development timelines could be negatively affected by COVID-19, which could materially and adversely affect our business, financial condition and results of operations. Further, we have implemented a work-from-home policy allowing employees who can work from home to do so, while those needing to work in laboratory facilities work in shifts to reduce the number of people gathered together at one time. Business travel has been suspended, and online and teleconference technology is used to meet virtually rather than in person. We have taken measures to secure our research and development project activities, while work in laboratories has been organized to reduce risk of COVID-19 transmission. Our increased reliance on personnel working from home may negatively impact productivity, or disrupt, delay or otherwise adversely impact our business. For example, with our personnel working from home, some of our research activities that require our personnel to be in our laboratories could be delayed.

**Recent Developments**

**Series B Tranche Financing**

In 2019, we conducted a Series B redeemable convertible preferred stock, or Series B, financing with the funding to occur in two tranches. We closed the first tranche of the Series B financing in August 2019 and November 2019, raising a total of $53.8 million of gross proceeds, and we closed the second and final tranche of the Series B financing in September 2020 upon the achievement of certain clinical development milestones for our primary product candidate, ONCR-177. The second and final tranche of the Series B financing provided for an additional $35.8 million of gross proceeds.

**Reverse Stock Split**

On September 25, 2020, we effected a 1-for-12.0874 reverse stock split of our issued and outstanding common stock and a proportional adjustment to the existing conversion ratios for the outstanding shares of Series A-1 redeemable convertible preferred stock, or Series A-1, and Series B. Accordingly, all share and per share amounts for all periods presented in this prospectus have been retroactively adjusted to reflect the reverse stock split on a retroactive basis.

**Initial Public Offering**

In October 2020, we completed our IPO, in which we issued an aggregate of 6,557,191 shares of common stock for aggregate net proceeds of approximately $88.3 million, after deducting underwriting discounts and commissions and offering expenses payable by us of $3.2 million. Our shares of common stock began trading on the Nasdaq Global Market under the ticker symbol “ONCR” on October 2, 2020. Upon the closing of our IPO, all outstanding shares of Series A-1 and Series B converted into an aggregate of 14,951,519 shares of common stock.
**Lease of Manufacturing Facility**

On December 29, 2020, we entered into a lease agreement, or the Lease, for approximately 33,518 square feet, or the Pod 4 Portion, and approximately 54,666 square feet, or the Pod 5 Portion, of a manufacturing facility located in Andover, Massachusetts. The Lease contains a free rent period for each of the Pod 4 Portion and the Pod 5 Portion. The term of the Lease will continue for 15 years from the date the monthly rent for the Pod 5 Portion commences, or approximately December 31, 2036, unless earlier terminated in accordance with the terms of the Lease. We have two options to extend the term of the Lease for the entire premises for a period of 10 years each, with rent during the extended term being based on the then-prevailing market rental rate.

Under the Lease, the monthly rent payments for the Pod 4 Portion are expected to commence on October 1, 2021, reflecting an approximately nine-month rent-free period following the execution of the Lease. We have a right to occupy the Pod 4 Portion prior to the Pod 4 rent commencement date, subject to the completion of tenant improvements, and would be responsible for proportional base rent payments, utilities, and our proportionate share of operating costs and taxes attributable to the Pod 4 Portion, provided that such payments of base rent for the occupancy of the Pod 4 Portion would commence no earlier than July 1, 2021 in any event. Beginning on the Pod 4 rent commencement date, we will be obligated to make monthly base rent payments, which will initially be approximately $0.1 million and will increase to approximately $0.2 million during the initial term of the Lease. The monthly rent payments for the Pod 5 Portion are expected to commence on January 1, 2022, reflecting an approximately one-year rent-free period following the execution of the Lease. Beginning on the Pod 5 rent commencement date, we will be obligated to make monthly base rent payments, which will initially be approximately $0.2 million and will increase to approximately $0.3 million during the initial term of the Lease. We were also required to provide the landlord with a letter of credit as support for our obligations under the Lease.

**Components of Operating Results**

**Research and Development Expenses**

Research and development expenses consist primarily of costs incurred for our research and development activities, including our product candidate discovery efforts, preclinical and clinical studies under our research programs, which include:

- employee-related expenses, including salaries, benefits and stock-based compensation expense for our research and development personnel;
- costs of funding research performed by third parties that conduct research and development and preclinical and clinical activities on our behalf;
- costs of manufacturing drug product and drug supply related to our current or future product candidates;
- costs of conducting preclinical studies and clinical trials of our product candidates;
- consulting and professional fees related to research and development activities, including equity-based compensation to non-employees;
- costs of maintaining our laboratory, including purchasing laboratory supplies and non-capital equipment used in our preclinical studies;
- costs related to compliance with clinical regulatory requirements;
- facility costs and other allocated expenses, which include expenses for rent and maintenance of facilities, insurance, depreciation and other supplies; and
- fees for maintaining licenses and other amounts due under our third-party licensing agreements.

Research and development costs are expensed as incurred. Costs for certain activities are recognized based on an evaluation of the progress to completion of specific tasks using data such as information provided to us by our vendors and analyzing the progress of our preclinical and clinical studies or other services performed. Significant judgment and estimates are made in determining the accrued expense balances at the end of any reporting period.

We track external research and development costs on a program-by-program basis beginning, with respect to each program, upon our internal nomination of a candidate in that program for further preclinical and clinical development. External costs include fees paid to consultants, contractors and vendors, including contract
manufacturing organizations, or CMOs, and clinical research organizations, or CROs, in connection with our preclinical, clinical and manufacturing activities and license milestone payments related to candidate development. We do not allocate employee costs, costs associated with our discovery efforts, costs incurred for laboratory supplies, and facilities, including depreciation, or other indirect costs, to specific product development programs because these costs are deployed across multiple product development programs and, as such, are not separately classified. Our lead product candidate, ONCR-177, was nominated for further development in October 2018.

The successful development of our product candidates is highly uncertain. We cannot reasonably estimate or know the nature, timing, and estimated costs of the efforts that will be necessary to complete development of our current or future product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from the sale of our product candidates, if they are approved. This is due to the numerous risks and uncertainties associated with developing product candidates, including the uncertainty of:

- the scope, rate of progress, and expenses of our ongoing research activities as well as any preclinical studies and clinical trials and other research and development activities;
- establishing an appropriate safety profile;
- successful enrollment in and completion of clinical trials;
- whether our product candidates show safety and efficacy in our clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- commercializing product candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of the products following any regulatory approval.

A change in the outcome of any of these variables with respect to the development of our current and future product candidates would significantly change the costs and timing associated with the development of those product candidates.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect research and development costs to increase significantly for the foreseeable future as we commence clinical trials and continue the development of our current and future product candidates. However, we do not believe that it is possible at this time to accurately project expenses through commercialization. There are numerous factors associated with the successful commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control will impact our clinical development programs and plans.

General and Administrative Expenses

General and administrative expenses include salaries and other compensation-related costs, including stock-based compensation, for personnel in executive, finance and accounting, business development, operations and administrative roles. Other significant costs include professional service and consulting fees including legal fees relating to intellectual property and corporate matters, accounting fees, recruiting costs and costs for consultants who we utilize to supplement our personnel, insurance costs, travel costs, facility and office-related costs not included in research and development expenses and depreciation and amortization.

We anticipate that our general and administrative expenses will increase in the future as our business expands to support expected growth in research and development activities, including our future clinical programs. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside service providers, among other expenses. We also anticipate increased expenses associated with being a public company, including costs for audit, legal, regulatory and tax-related services related to compliance with the rules and
regulations of the Securities and Exchange Commission, or the SEC, and listing standards applicable to companies listed on a national securities exchange, director and officer insurance premiums, and investor relations costs. In addition, if we obtain regulatory approval for any of our product candidates and do not enter into a third-party commercialization collaboration, we expect to incur significant expenses related to building a sales and marketing team to support product sales, marketing and distribution activities.

**Other Income (Expense)**

Other income (expense) primarily includes changes in fair value of the Series A-1 and Series B tranche rights and interest income, net.

Included in the terms of the Series A-1 redeemable convertible preferred stock, or Series A-1, stock purchase agreement in July 2016 were tranche rights granted to the holders of the Series A-1. The tranche rights provided the holders with the right to purchase additional shares of Series A-1 and Series A-2 redeemable convertible preferred stock, or Series A-2, in two additional tranches under certain events. The tranche rights met the definition of a freestanding financial instrument as the tranche rights were legally detachable and separately exercisable from the Series A-1. The tranche rights were initially recorded at fair value as an asset or a liability on our consolidated balance sheet and were subsequently re-measured at fair value at the end of each reporting period and at settlement. The changes in the fair value were recognized as a component of other income (expense). Changes in the fair value of the tranche rights were recognized until the tranche obligations were settled in full in September 2018.

Included in the terms of the Series B redeemable convertible preferred stock, or Series B, stock purchase agreement in August 2019 were tranche rights granted to the holders of the Series B. The tranche rights provided the Series B holders with the right to purchase additional shares of Series B in an additional tranche under certain events. The tranche rights met the definition of a freestanding financial instrument as the tranche rights were legally detachable and separately exercisable from the Series B. The tranche rights were subsequently re-measured at fair value at the end of each reporting period and at settlement, which occurred in September 2020, when the second and final tranche of the Series B financing closed. Changes in the fair value were recognized as a component of other income (expense).

Interest income primarily consists of interest income from our cash and cash equivalents.

**Results of Operations**

The following table summarizes our results of operations for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>YEAR ENDED DECEMBER 31,</th>
<th>CHANGE</th>
<th>NINE MONTHS ENDED SEPTEMBER 30,</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$12,541</td>
<td>$24,047</td>
<td>$11,506</td>
<td>92%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>6,037</td>
<td>7,119</td>
<td>1,082</td>
<td>18</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>18,578</td>
<td>31,166</td>
<td>12,588</td>
<td>68</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(18,578)</td>
<td>(31,166)</td>
<td>(12,588)</td>
<td>(68)</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>532</td>
<td>462</td>
<td>(70)</td>
<td>(13)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(18,046)</td>
<td>(30,704)</td>
<td>(12,658)</td>
<td>(70)%</td>
</tr>
</tbody>
</table>
Nine Months Ended September 30, 2019 Compared to the Nine Months Ended September 30, 2020

Research and Development Expenses

The table below summarizes our research and development expenses by product candidate or development program and unallocated research and development expenses for each of the periods presented:

<table>
<thead>
<tr>
<th>NINE MONTHS ENDED SEPTEMBER 30,</th>
<th>2019</th>
<th>2020</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct external expenses by program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONCR-177</td>
<td>$ 7,173</td>
<td>$ 6,540</td>
<td>$(633)</td>
</tr>
<tr>
<td>Platform development, early stage research and unallocated expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation and related</td>
<td>4,361</td>
<td>6,170</td>
<td>1,809</td>
</tr>
<tr>
<td>External research, development and consulting</td>
<td>2,008</td>
<td>2,444</td>
<td>436</td>
</tr>
<tr>
<td>Laboratory supplies</td>
<td>2,118</td>
<td>2,170</td>
<td>52</td>
</tr>
<tr>
<td>Facility-related</td>
<td>995</td>
<td>1,034</td>
<td>39</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,528</td>
<td>1,202</td>
<td>(326)</td>
</tr>
<tr>
<td>Total research and development</td>
<td>$18,183</td>
<td>$19,560</td>
<td>$1,377</td>
</tr>
</tbody>
</table>

Research and development expenses increased from $18.2 million for the nine months ended September 30, 2019 to $19.6 million for the nine months ended September 30, 2020. The increase of $1.4 million, or 8%, was primarily the result of:

- a $0.6 million decrease in direct external expenses for our product candidate ONCR-177, which was attributable to a combination of decreased production costs due to the timing of production activity in 2020 compared to 2019, decreased consultant expenses as we increased headcount in 2020 and reduced consultant activity, increased clinical trial costs as we began our Phase 1 clinical trial in 2020 and increased license costs which related to milestone payment obligations associated with the first patient being dosed in our Phase 1 clinical trial of ONCR-177;
- a $1.8 million increase in employee compensation costs, including salaries, bonus and employee benefits, due to increased headcount in 2020 as compared to 2019. Employee compensation costs also increased due to higher stock compensation expense from increased stock option grants to existing and new employees at higher share prices in 2020 compared to 2019;
- a $0.4 million increase in external research, development and consulting costs that was primarily attributable to costs related to the increased development activity of potential candidates from our Synthetic Platform; and
- a $0.3 million decrease in other expenses primarily related to a license payment in 2019 that did not recur in 2020 as well as reduced travel and office related expenses due to the COVID-19 pandemic.

General and Administrative Expenses

<table>
<thead>
<tr>
<th>NINE MONTHS ENDED SEPTEMBER 30,</th>
<th>2019</th>
<th>2020</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation and related</td>
<td>$1,456</td>
<td>$2,453</td>
<td>$997</td>
</tr>
<tr>
<td>Professional service and consultant fees</td>
<td>1,523</td>
<td>2,560</td>
<td>1,037</td>
</tr>
<tr>
<td>Facility-related</td>
<td>306</td>
<td>357</td>
<td>51</td>
</tr>
<tr>
<td>Other expenses</td>
<td>693</td>
<td>662</td>
<td>(31)</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>$3,978</td>
<td>$6,032</td>
<td>$2,054</td>
</tr>
</tbody>
</table>
General and administrative expenses increased from $4.0 million for the nine months ended September 30, 2019 to $6.0 million for the nine months ended September 30, 2020. The increase of $2.1 million, or 52%, was primarily the result of:

- a $1.0 million increase in employee compensation costs, primarily related to increased headcount associated with our growth as well as higher stock compensation expenses in 2020 compared to 2019 due to an increased number of stock options granted at higher share prices to existing and new employees; and
- a $1.0 million increase in professional service and consultant fees primarily related to increased legal fees associated with corporate matters and increased intellectual property activity as we incurred fees to broaden our intellectual property portfolio.

Other Income (Expense)
Other income (expense) for the nine months ended September 30, 2019 decreased by $11.5 million compared to the nine months ended September 30, 2020 due to a loss of $11.3 million in 2020 related to the increase in the fair value of the Series B tranche rights liability and a decrease in interest income from 2019 to 2020 primarily due to lower returns on invested cash.

Year Ended December 31, 2018 Compared to the Year Ended December 31, 2019
Research and Development Expenses
The table below summarizes our research and development expenses by product candidate or development program and unallocated research and development expenses for each of the periods presented:

<table>
<thead>
<tr>
<th>YEAR ENDED DECEMBER 31</th>
<th>2018</th>
<th>2019</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct external expenses by program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONCR-177</td>
<td>$761</td>
<td>$9,371</td>
<td>$8,610</td>
</tr>
<tr>
<td>Platform development, early-stage research and unallocated expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation and related</td>
<td>4,183</td>
<td>5,991</td>
<td>1,808</td>
</tr>
<tr>
<td>External research, development and consulting</td>
<td>2,920</td>
<td>2,680</td>
<td>(240)</td>
</tr>
<tr>
<td>Laboratory supplies</td>
<td>2,030</td>
<td>2,850</td>
<td>820</td>
</tr>
<tr>
<td>Facility-related</td>
<td>1,261</td>
<td>1,322</td>
<td>61</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,386</td>
<td>1,833</td>
<td>447</td>
</tr>
<tr>
<td>Total research and development</td>
<td>$12,541</td>
<td>$24,047</td>
<td>$11,506</td>
</tr>
</tbody>
</table>

Research and development expenses increased from $12.5 million for the year ended December 31, 2018 to $24.0 million for the year ended December 31, 2019. The increase of $11.5 million, or 92%, was primarily the result of:

- a $8.6 million increase in direct external expenses, as our lead product candidate, ONCR-177, was nominated for further development in October 2018 and we significantly increased our costs and efforts related to this program in 2019. Our costs and efforts in 2019 included IND-enabling activities for ONCR-177, including preclinical studies and external support, and significantly increased manufacturing efforts to produce drug supply and drug product for the IND filing and in expectation of the planned clinical trial;
- a $1.8 million increase in employee compensation costs, including salaries, bonus and employee benefits, due to increased headcount in 2019 as compared to 2018. Employee compensation costs also increased due to higher stock compensation expense from increased stock option grants to existing and new employees at higher share prices in 2019 compared to 2018;
- a $0.2 million decrease in external research, development and consulting that was primarily attributable to costs incurred for ONCR-177. For 2018, costs included those incurred for ONCR-177 prior to its
nomination. Upon candidate nomination in late 2018, we began tracking direct external expenses of ONCR-177, resulting in the decrease from 2018 to 2019. This decrease was partially offset by increased activities related to our synthetic platform;

- a $0.8 million increase in laboratory supply costs resulting from increased headcount and activity related to drug discovery; and
- a $0.4 million increase in other expenses primarily related to new licenses of technology in 2019.

General and Administrative Expenses

<table>
<thead>
<tr>
<th></th>
<th>YEAR ENDED DECEMBER 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018 (in thousands)</td>
</tr>
<tr>
<td>Employee compensation and related</td>
<td>$2,296</td>
</tr>
<tr>
<td>Professional service and consultant fees</td>
<td>2,566</td>
</tr>
<tr>
<td>Facility-related</td>
<td>401</td>
</tr>
<tr>
<td>Other expenses</td>
<td>774</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>$6,037</td>
</tr>
</tbody>
</table>

General and administrative expenses increased from $6.0 million for the year ended December 31, 2018 to $7.1 million for the year ended December 31, 2019. The increase of $1.1 million, or 18%, was primarily the result of:

- a $0.9 million increase in professional service and consultant fees primarily related to increased legal and accounting costs of $1.5 million related to the IPO that were expensed due to the timing of the IPO, increased recruiting costs and increased consultant costs incurred to support our growth. These increases were partially offset by decreased legal costs related to a strategic matter that we considered in 2018 and decreased legal fees associated with intellectual property, which were higher in 2018 as we incurred fees to broaden our intellectual property portfolio;
- a $0.3 million increase in other expenses in support of our growth, including increased employee support costs, primarily office and technology-related expenses; and
- a $0.2 million decrease in employee compensation costs, primarily related to severance and one-time bonus payments in 2018 that did not recur in 2019, offset in part by higher stock compensation expenses in 2019 compared to 2018, due to an increased number of stock options granted at higher prices per share.

Other Income (Expense)

Other income (expense) decreased by $0.1 million from 2018 to 2019 due to a gain of $0.4 million in 2018 related to the change in fair value of the Series A-1 tranche rights that were settled in September 2018 and did not recur in 2019, offset by an increase of $0.3 million in interest income due to improved investment returns and more cash available for investment in 2019.

Liquidity and Capital Resources

Sources of Liquidity

From inception through September 30, 2020, we funded our operations with gross proceeds of $150.9 million from sales of redeemable convertible preferred stock. As of September 30, 2020, our cash and cash equivalents totaled $54.0 million. In 2019, we conducted a Series B financing with the funding to occur in two tranches. We closed the first tranche of the Series B financing in August 2019 and November 2019, raising a total of $53.8 million of gross proceeds. We closed the second and final tranche of the Series B financing in September 2020 upon the achievement of certain clinical development milestones for our primary product candidate, ONCR-177. The second and final tranche of the Series B financing provided an additional $35.8 million of gross proceeds.

We completed our IPO in October 2020, in which we issued an aggregate of 6,557,991 shares of common stock at a public offering price of $15.00 per share. The aggregate net proceeds received by us from the IPO were
approximately $88.3 million, after deducting underwriting discounts and commissions and $3.2 million of offering expenses.

**Cash Flows**

<table>
<thead>
<tr>
<th></th>
<th>YEAR ENDED DECEMBER 31,</th>
<th>NINE MONTHS ENDED SEPTEMBER 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Net cash (used in) provided by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>$(17,163)</td>
<td>$(27,204)</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(291)</td>
<td>(977)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>24,502</td>
<td>53,388</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>$7,048</td>
<td>$25,207</td>
</tr>
</tbody>
</table>

**Operating Activities**

**Nine Months Ended September 30, 2019 Compared to the Nine Months Ended September 30, 2020**

Net cash used in operating activities for the nine months ended September 30, 2019 was $18.8 million and was primarily related to our net loss for the period of $21.8 million, partially offset by non-cash charges consisting of depreciation and amortization of $0.8 million and stock-based compensation expense of $0.4 million. Our cash used in operations was decreased by a $1.8 million cash inflow from changes in certain operating assets and liabilities. This cash inflow was driven by a $2.5 million increase in accrued expenses related to an increase in expense activity as well as the timing of invoices. This inflow was partially offset by cash outflows related to an increase in prepaid expenses and other current assets of $0.3 million related to an increase in payments to vendors in advance of work being performed, a decrease in deferred rent of $0.3 million related to the timing of payments in comparison to the rent expense, which is being recorded on a straight-line basis, and a decrease in accounts payable of $0.1 million due to the timing of invoicing and payments.

Net cash used in operating activities for the nine months ended September 30, 2020 was $25.6 million and was primarily related to our net loss for the period of $36.7 million, partially offset by non-cash charges consisting of depreciation and amortization of $1.0 million, stock-based compensation expense of $1.0 million and a change in fair value of the Series B tranche rights liability of $11.3 million. Our cash used in operations was increased by a $2.1 million cash outflow related to changes in certain operating assets and liabilities. The cash outflow included an increase in prepaid expenses and other current assets of $1.0 million which was related to the timing of payments to vendors in advance of services being performed. The cash outflow also included a decrease in accrued expenses of $0.9 million related to the timing of invoicing and a decrease in deferred rent of $0.3 million related to the timing of rent payments in comparison to the rent expense, which is being recorded on a straight-line basis. This cash outflow was partially offset by an increase in accounts payable of $0.1 million which related to the timing of invoicing and payments.

**Year Ended December 31, 2018 Compared to the Year Ended December 31, 2019**

Net cash used in operating activities for the year ended December 31, 2018 was $17.2 million and was primarily related to our net loss for the period of $18.0 million as well as an increase in the fair value of the Series A-1 tranche rights of $0.4 million, partially offset by non-cash charges consisting of depreciation and amortization of $1.0 million and stock-based compensation expense of $0.3 million. Cash used in operations was increased by a $0.04 million cash outflow from changes in operating assets and liabilities. This cash outflow was driven by an increase in prepaid expenses and other current assets of $0.3 million, related to an increase in payments to vendors in advance of work being performed, a decrease in accrued expenses of $0.2 million due to the timing of invoicing between periods and a decrease in deferred rent of $0.4 million due to the timing of payments in comparison to rent expense, which is being reordered on a straight-line basis. These cash outflows were offset by cash inflows related to an increase in accounts payable of $0.8 million due to an increase in activity in 2018 compared to 2017 as well as the timing of invoicing and payments.

Net cash used in operating activities for the year ended December 31, 2019 was $27.2 million and was primarily related to our net loss for the period of $30.7 million, partially offset by non-cash charges consisting of depreciation.
and amortization of $1.1 million and stock-based compensation expenses of $0.7 million. Cash used in operations was offset by a $1.7 million cash inflow from changes in operating assets and liabilities and was driven by a decrease in prepaid expenses and other current assets of $0.2 million, due to decreased payments in 2019, compared to 2018, in advance of services being provided by various vendors, and an increase in accrued expenses of $1.9 million, due to overall expense growth and the timing of invoicing as well as an increase in accrued compensation related to increased headcount, partially offset by a decrease in deferred rent of $0.4 million due to the timing of payments in comparison to the rent expense, which is being recorded on a straight-line basis.

Investing Activities
Net cash used in investing activities for nine months ended September 30, 2019 and 2020 was $0.6 million and $1.0 million, respectively, and consisted of the purchase of property and equipment.

Net cash used in investing activities for the years ended December 31, 2018 and 2019 was $0.3 million and $1.0 million, respectively, and consisted of the purchase of property and equipment.

Financing Activities
Net cash provided by financing activities for the nine months ended September 30, 2019 and 2020 was $47.4 million and $35.4 million, respectively, and primarily consisted of proceeds from the issuance of Series B. Financing activities in 2020 also includes $0.6 million of payments of offering costs related to the IPO.

Net cash provided by financing activities for the years ended December 31, 2018 and 2019 was $24.5 million and $53.4 million, respectively, and primarily consisted of proceeds from the issuance of Series A-1 in 2018 and proceeds from the issuance of Series B in 2019.

Funding Requirements
We expect our expenses to increase in connection with our ongoing activities, particularly as we continue our research and development, initiate clinical trials, and seek marketing approval for our current and any of our future product candidates. In addition, if we obtain marketing approval for any of our current or our future product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution, which costs we may seek to offset through entry into collaboration agreements with third parties. We also expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on acceptable terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

We believe that our existing cash and cash equivalents, together with the anticipated net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements into late 2023. We have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Our future capital requirements will depend on a number of factors, including:

- the costs of conducting preclinical studies and clinical trials;
- the costs of manufacturing;
- the scope, progress, results and costs of discovery, preclinical development, laboratory testing, and clinical trials for product candidates we may develop, if any;
- the costs, timing, and outcome of regulatory review of our product candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any license or collaboration agreements we might have at such time;
- the costs and timing of future commercialization activities, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- the amount of revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;
the costs of preparing, filing and prosecuting patent applications, obtaining, maintaining and enforcing our intellectual property rights, and defending intellectual property-related claims;
our headcount growth and associated costs as we expand our business operations and research and development activities; and
the costs of operating as a public company.

The net proceeds of this offering, together with our existing cash and cash equivalents, will not be sufficient to complete development of ONCR-177 or any other product candidate. Accordingly, we will be required to obtain further funding to achieve our business objectives.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interests may be diluted, and the terms of these securities may include liquidation or other preferences that could adversely affect your rights as a common stockholder. Additional debt financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends, that could adversely impact our ability to conduct our business.

If we raise funds through potential collaborations, strategic alliances 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 to 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.

Critical Accounting Policies and Significant Judgments and Estimates

This Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of these consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the consolidated balance sheets and the reported amounts of revenue and expenses during the reporting periods. In accordance with GAAP, we base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances at the time such estimates are made. Actual results may differ materially from our estimates and judgments under different assumptions or conditions. We periodically review our estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates are reflected in our consolidated financial statements prospectively from the date of the change in estimate.

We define our critical accounting policies as those accounting principles that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles. While our significant accounting policies are more fully described in Note 2 to our audited consolidated financial statements appearing elsewhere in this prospectus, we believe the following are the critical accounting policies used in the preparation of our consolidated financial statements that require significant estimates and judgments.

Accrued Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued expenses as of each balance sheet date. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf, and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met. We make estimates of our accrued expenses as of each balance

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The significant estimates in our accrued research and development expenses include the costs incurred for services performed by our vendors in connection with research and development activities for which we have not yet been invoiced. We base our expenses related to research and development activities on our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense.

In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid balance accordingly. Non-refundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Although we do not expect our estimates to be materially different from amounts incurred, if our estimates of the status and timing of services performed differ from the actual status and timing of services performed, it could result in us reporting amounts that are too high or too low in any particular period.

Stock-Based Compensation
We measure stock options and other stock-based awards granted to employees and directors based on the fair value of the award on the date of the grant and recognize compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. We recognize forfeitures as they occur. The reversal of compensation cost previously recognized for an award that is forfeited because of a failure to satisfy a service or performance condition is recognized in the period of the forfeiture. Generally, we issue stock options and restricted stock awards with only service-based vesting conditions and record the expense for these awards using the straight-line method over the requisite service period.

Prior to the adoption of Accounting Standard Update No. 2018-07, Compensation—Stock Compensation (ASU 2018-07) on January 1, 2019, we measured stock-based awards granted to non-employee consultants based on the fair value of the award on the date on which the related service was complete. Compensation expense was recognized over the period during which services were rendered by such consultants and non-employees until completed. At the end of each reporting period prior to completion of the service, the fair value of these awards was remeasured using the then-current fair value of our common stock and updated assumption inputs in the Black-Scholes option-pricing model. Subsequent to the adoption of ASU 2018-07, we recognize stock compensation expense for awards granted to non-employee consultants based on the grant date fair value of the award, consistent with our practice for employee awards. There was no material impact to our consolidated financial statements as a result of our adoption of ASU 2018-07.

We classify equity-based compensation expense in our consolidated statements of operations in the same manner in which the award recipient's salary and related costs are classified or in which the award recipient's service payments are classified. In future periods, we expect equity-based compensation expense to increase, due in part to our existing unrecognized stock-based compensation expense and as we grant additional stock-based awards to continue to attract and retain employees.

Determination of the Fair Value of Equity-Based Awards
We estimate the fair value of stock option awards granted using the Black-Scholes option-pricing model, which uses as inputs the fair value of our common stock and subjective assumptions we make, including expected stock price volatility, the expected term of the award, the risk-free interest rate, and expected dividends. Due to the lack of an extended trading history for our common stock and a lack of company-specific historical and implied volatility data, we base the estimate of expected stock price volatility on the historical volatility of a representative group of publicly traded companies for which historical information is available. The historical volatility is generally calculated based
on a period of time commensurate with the expected term assumption. We use the simplified method to calculate the expected term for options granted to employees and directors. We utilize this method as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. For options granted to non-employees, we utilize the contractual term. The risk-free interest rate is based on a U.S. treasury instrument whose term is consistent with the expected term of the stock options. The expected dividend yield is assumed to be zero, as we have never paid dividends and do not have current plans to pay any dividends on our common stock. We determine the fair value of restricted common stock awards based on the fair value of our common stock on the date of grant.

Prior to our IPO, there was no public market for our common stock and the estimated fair value of our common stock was approved by our board of directors, with input from management, as of the date of each award grant, considering our most recently available independent third-party valuations of common stock and our board of directors’ assessment of additional objective and subjective factors deemed relevant that may have changed from the date of the most recent valuation through the date of the grant.

We obtained third-party independent valuations of our common stock in September 2018, August 2019, September 2019, November 2019, April 2020 and August 2020, which valuations were considered by our board of directors in determining the fair value of our common stock. These valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants’ Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. In the valuations, the value of our common stock was estimated using either an option pricing method, or OPM, or a hybrid method of the probability-weighted expected return method and the OPM, both of which used market approaches to estimate our enterprise value. The OPM treats common securities and preferred securities as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company’s securities changes. Under this method, the common stock has value only if the funds available for distribution exceed the value of the preferred security liquidation preference at the time of the liquidity event, such as a strategic sale or a merger. The hybrid method estimates the probability-weighted value across multiple scenarios but uses the OPM to estimate the allocation of value within at least one of the scenarios. In addition to the OPM, the hybrid method considers an IPO scenario in which the shares of redeemable convertible preferred stock are assumed to convert to common stock. The future value of the common stock in the IPO scenario is discounted back to the valuation date using an appropriate risk-adjusted discount rate. In the hybrid method, the present value indicated for each scenario is probability weighted to arrive at an indication of value for the common stock. The values of our common stock determined by these independent third-party valuations were $1.81 per share in September 2018, $3.87 per share in August 2019, $5.32 per share in September 2019, $6.77 per share in November 2019, $7.01 per share in April 2020 and $11.72 in August 2020.

The additional objective and subjective factors considered by our board of directors in determining the fair value of our common stock included the following, and if the grant date as of which fair value was being determined was a date later than the date of the most recent independent third-party valuation of our common stock, our board of directors considered changes in such factors from the date of the most recent such valuation through the grant date:

- the prices of our preferred stock sold to outside investors in arm’s length transactions, if any, and the rights, preferences and privileges of our preferred stock as compared to those of our common stock, including the liquidation preferences of our preferred stock;
- the progress of our research and development efforts, including the status of preclinical studies and planned clinical trials for our product candidates;
- the lack of liquidity of our equity as a private company;
- our stage of development and business strategy and the material risks related to our business and industry;
- the valuation of publicly traded companies in the life sciences and biotechnology sectors, as well as recently completed mergers and acquisitions of peer companies;
- any external market conditions affecting the biotechnology industry, and trends within the biotechnology industry;
- the likelihood of achieving a liquidity event, such as an IPO or a sale of our company in light of prevailing market conditions;
the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry; and

with respect to the grants made on September 22, 2020, the estimated price range for our IPO.

The assumptions underlying our board of directors’ valuations represented our board’s best estimates, which involved inherent uncertainties and the application of our board’s judgment. As a result, if factors or expected outcomes had changed or our board of directors had used significantly different assumptions or estimates, our equity-based compensation expense could have been materially different.

Between January 1, 2019 and September 30, 2020, the awards we granted were stock options. The following table sets forth, by grant date, the number of shares of common stock subject to options granted, the per share exercise price and the fair value per share of the common stock underlying the options on the date of grant.

<table>
<thead>
<tr>
<th>DATE OF ISSUANCE</th>
<th>NUMBER OF SHARES SUBJECT TO GRANTS</th>
<th>PER SHARE EXERCISE PRICE</th>
<th>FAIR VALUE PER SHARE OF COMMON STOCK ON GRANT DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 28, 2019</td>
<td>140,176</td>
<td>$ 1.91</td>
<td>$ 1.91</td>
</tr>
<tr>
<td>March 15, 2019</td>
<td>60,296</td>
<td>$ 1.81</td>
<td>$ 1.81</td>
</tr>
<tr>
<td>August 15, 2019</td>
<td>12,987</td>
<td>$ 3.87</td>
<td>$ 3.87</td>
</tr>
<tr>
<td>September 7, 2019</td>
<td>9,927</td>
<td>$ 3.87</td>
<td>$ 3.87</td>
</tr>
<tr>
<td>September 17, 2019</td>
<td>817,437</td>
<td>$ 5.32</td>
<td>$ 5.32</td>
</tr>
<tr>
<td>December 12, 2019</td>
<td>58,323</td>
<td>$ 6.77</td>
<td>$ 6.77</td>
</tr>
<tr>
<td>December 19, 2019</td>
<td>9,927</td>
<td>$ 6.77</td>
<td>$ 6.77</td>
</tr>
<tr>
<td>February 27, 2020</td>
<td>57,945</td>
<td>$ 6.77</td>
<td>$ 6.77</td>
</tr>
<tr>
<td>March 31, 2020</td>
<td>13,236</td>
<td>$ 6.77</td>
<td>$ 6.77</td>
</tr>
<tr>
<td>June 10, 2020</td>
<td>63,288</td>
<td>$ 7.01</td>
<td>$ 7.01</td>
</tr>
<tr>
<td>June 19, 2020</td>
<td>11,911</td>
<td>$ 7.01</td>
<td>$ 7.01</td>
</tr>
<tr>
<td>July 22, 2020</td>
<td>21,095</td>
<td>$ 7.01</td>
<td>$ 7.01</td>
</tr>
<tr>
<td>September 9, 2020</td>
<td>4,962</td>
<td>$ 11.72</td>
<td>$ 11.72</td>
</tr>
<tr>
<td>September 22, 2020</td>
<td>9,714</td>
<td>$ 15.00</td>
<td>$ 15.00</td>
</tr>
</tbody>
</table>

In connection with our IPO, on October 1, 2020 we granted to certain of our employees stock options to purchase an aggregate of 363,150 shares of common stock at an exercise price per share of $15.00, which was the public offering price in the IPO. Since our IPO, we have determined the fair market value of our common stock using the closing price of our common stock as reported on the Nasdaq Global Market.

**Series A-1 and Series B Preferred Stock Tranche Rights**

The tranche rights included in the terms of the Series A-1 met the definition of a freestanding financial instrument, as the tranche rights were legally detachable and separately exercisable from the Series A-1. The tranche rights were initially recorded at fair value as a liability on our consolidated balance sheet and were subsequently re-measured at fair value at the end of each reporting period and at settlement. The changes in the fair value were recognized as a component of other income (expense). Changes in the fair value of the tranche rights were recognized until the tranche obligations were settled in full in September 2018.

The tranche rights included in the terms of the Series B also met the definition of a freestanding financial instrument, as the tranche rights were legally detachable and separately exercisable from the Series B. The tranche rights were initially recorded at fair value as a liability on our consolidated balance sheet. The tranche rights were subsequently re-measured at fair value at the end of each reporting period and at settlement, which occurred in September 2020, when the second and final tranche of the Series B financing closed. Changes in the fair value were recognized as a component of other income (expense).
Off-Balance Sheet Arrangements
We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules.

Contractual Obligations
The following table summarizes our significant contractual obligations by period presented according to the payment due date at December 31, 2019 (in thousands):

<table>
<thead>
<tr>
<th>AS OF DECEMBER 31, 2019</th>
<th>TOTAL</th>
<th>LESS THAN 1 YEAR</th>
<th>1 TO 3 YEARS</th>
<th>3 TO 5 YEARS</th>
<th>MORE THAN 5 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease obligations (1)(2)</td>
<td>$6,235</td>
<td>$1,479</td>
<td>$3,092</td>
<td>$1,664</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$6,235</td>
<td>$1,479</td>
<td>$3,092</td>
<td>$1,664</td>
<td>—</td>
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(1) Represents future minimum repayments under our non-cancelable operating leases for office and laboratory space.

(2) There were no material changes to our contractual obligations in the nine months ended September 30, 2020.

On December 29, 2020, we entered into a lease agreement, or the Lease, for approximately 33,518 square feet, or the Pod 4 Portion, and approximately 54,666 square feet, or the Pod 5 Portion, of a manufacturing facility located in Andover, Massachusetts. The Lease contains a free rent period for each of the Pod 4 Portion and the Pod 5 Portion. The term of the Lease will continue for 15 years from the date the monthly rent for the Pod 5 Portion commences, or approximately December 31, 2036, unless earlier terminated in accordance with the terms of the Lease. We have two options to extend the term of the Lease for the entire premises for a period of 10 years each, with rent during the extended term being based on the then-prevailing market rental rate.

Under the Lease, the monthly rent payments for the Pod 4 Portion are expected to commence on October 1, 2021, reflecting an approximately nine-month rent-free period following the execution of the Lease. We have a right to occupy the Pod 4 Portion prior to the Pod 4 rent commencement date, subject to the completion of tenant improvements, and would be responsible for proportional base rent payments, utilities, and our proportionate share of operating costs and taxes attributable to the Pod 4 Portion, provided that such payments of base rent for the occupancy of the Pod 4 Portion would commence no earlier than July 1, 2021 in any event. Beginning on the Pod 4 rent commencement date, we will be obligated to make monthly base rent payments, which will initially be approximately $0.1 million and will increase to approximately $0.2 million during the initial term of the Lease. The monthly rent payments for the Pod 5 Portion are expected to commence on January 1, 2022, reflecting an approximately one-year rent-free period following the execution of the Lease. Beginning on the Pod 5 rent commencement date, we will be obligated to make monthly base rent payments, which will initially be approximately $0.2 million and will increase to approximately $0.3 million during the initial term of the Lease. We were also required to provide the landlord with a $2.9 million letter of credit as support for our obligations under the lease. The total lease commitment under this Lease is expected to be approximately $72.0 million over the 15-year term.

We enter into agreements in the normal course of business with vendors for preclinical and clinical studies, preclinical and clinical supply and manufacturing services, professional consultants for expert advice, and other vendors for other services for operating purposes. We have not included these payments in the table of contractual obligations above since the contracts do not contain any minimum purchase commitments and are cancelable at any time by us, generally upon 30 days prior written notice, and therefore we believe that our non-cancelable obligations under these agreements are not material.

In addition, we have entered into license and royalty agreements for intellectual property with certain parties. Such arrangements require ongoing payments, including payments upon achieving certain development, regulatory and commercial milestones, receipt of sublicense income, as well as royalties on commercial sales. Payments under these arrangements are expensed as incurred and are recorded as research and development expenses. We paid amounts under such agreements at the time of execution and pay annual fees. Upon the dosing of the first patient in our Phase 1 clinical trial for ONCR-177, certain payments came due. We have not paid any royalties under these agreements to date. We have not included the annual license fee payments in the table of contractual obligations.
above because the license agreements are cancelable by us and therefore, we believe that our non-cancelable obligations under these agreements are not material. We have not included potential royalties or milestone obligations in the table above because they are contingent upon the occurrence of future events and the timing and likelihood of such potential obligations are not known with certainty. For further information regarding these agreements and amounts that could become payable in the future under these agreements, please see the section of this prospectus titled “Business—License Agreements.”

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk related to changes in interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our cash equivalents, in the form of a money market fund, are primarily invested in U.S. Treasury obligations. However, because of the short-term nature of the investments in our portfolio, an immediate one percentage point change in market interest rates would not have a material impact on the fair market value of our investment portfolio or on our financial position or results of operations.

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates; however, we have contracted with and may continue to contract with foreign vendors that are located in Europe. Our operations may be subject to fluctuations in foreign currency exchange rates in the future.

Inflation generally affects us by increasing our cost of labor. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2018 or 2019 or the nine months ended September 30, 2020.

Emerging Growth Company and Smaller Reporting Company Status

We are an “emerging growth company,” or EGC, under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Section 107 of the JOBS Act provides that an EGC can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of the delayed adoption of new or revised accounting standards and, therefore, we will be subject to the same requirements to adopt new or revised accounting standards as private entities.

As an EGC, we may also take advantage of certain exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an EGC:

- we are presenting only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- we will avail ourselves of the exemption from providing an auditor’s attestation report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- we will avail ourselves of the exemption from complying with any requirement that may be adopted by the Public Company Accounting Oversight Board, or PCAOB, regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis;
- we are providing reduced disclosure about our executive compensation arrangements; and
- we will not require nonbinding advisory votes on executive compensation or stockholder approval of any golden parachute payments.

We will remain an EGC until the earliest of (i) December 31, 2025, (ii) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more, (iii) the date on which we have issued more than $1 billion in non-convertible debt during the previous rolling three-year period, or (iv) the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

We are also a “smaller reporting company,” meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700 million and our
annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million.

If we are a smaller reporting company at the time we cease to be an EGC, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to EGCs, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

**Recent Accounting Pronouncements**

Other than as disclosed in Note 2 to our audited and unaudited consolidated financial statements appearing elsewhere in this prospectus, we do not expect that any recently issued accounting standards will have a material impact on our financial statements or will otherwise apply to our operations.
Overview

We are a clinical stage biopharmaceutical company focused on developing next-generation, systemically active viral immunotherapies to transform outcomes for cancer patients. Using our two distinct proprietary platforms, we are developing a pipeline of intratumorally and intravenously administered product candidates designed to selectively attack and kill tumor cells and stimulate multiple arms of the immune system against tumors. Our lead product candidate, ONCR-177, is an intratumorally administered viral immunotherapy based on our oncolytic HSV-1 platform, referred to as our oHSV Platform, which leverages the Herpes Simplex Virus type 1, or HSV-1, a virus which has been clinically proven to effectively treat certain cancers. Utilizing this proprietary platform, we are engineering our product candidates, such as ONCR-177, to carry greater numbers of immunostimulatory transgenes than viral immunotherapies that are either currently approved or in clinical development.

These transgenes are designed to drive strong systemic anti-tumor immunity to elicit tumor responses at injected and distant non-injected tumor sites, or abscopal activity. In addition, viruses from our oHSV Platform maintain full viral replication competency in tumors and are designed to be selectively attenuated in healthy tissues. We believe this unique combination of features allows us to break the safety versus potency trade-off that has generally limited the viral immunotherapy field to date. We are also developing a broad pipeline of product candidates that leverages our second platform, which we refer to as our Synthetic Platform. This platform aims to enable repeat intravenous administration of viral immunotherapies in order to treat cancers that are less amenable to intratumoral injection due to safety and feasibility reasons, such as cancers of the lung.

We have initiated and begun dosing patients in a Phase 1 clinical trial of ONCR-177 in patients with several different types of solid tumors, including breast cancers and cutaneous tumors. We expect to report preliminary data from this trial in multiple data readouts beginning in the second half of 2021 through the second half of 2022. We also have additional preclinical stage oHSV programs addressing both intratumoral and intravenous solutions to other unmet medical needs, including a program designed to target brain cancer through intratumoral injection, which we refer to as ONCR-GBM. We expect to nominate a clinical candidate from this program in the second half of 2021.

Viral immunotherapies cause an immunogenic cell death by way of viral oncolysis, which has the added benefit of exposing all the tumor’s neoantigens to the immune system. These therapies can also be engineered to express multiple transgenes to further stimulate robust and durable patient-specific anti-tumor immune responses. We designed ONCR-177 to overcome the limitations of existing viral immunotherapies by enhancing abscopal activity and potency. In addition to its ability to cause immunogenic cell death, ONCR-177 is armed with five immunostimulatory transgenes: IL-12, CCL4, FLT3LG, a PD-1 antagonist nanobody and a CTLA-4 antagonist monoclonal antibody (which has the same amino acid sequence as ipilimumab). In multiple preclinical models of cancer, immune cells activated by ONCR-177 and its encoded payloads drive anti-tumor responses in both injected tumors and non-injected tumors, or abscopal activity. We also designed ONCR-177 to replicate and express transgenes only in tumor cells while disabling its effects on healthy tissues. In multiple preclinical cancer models we observed that these anti-tumor activities of ONCR-177 are achieved without either the systemic release of cytokines that can be associated with toxicity or significant presence of the virus in non-injected tumors or in the circulation, in addition to favorable tolerability when administered via intravenous and intratumoral injection in a validated murine model of HSV-1 infection.

We intend to develop ONCR-177 for multiple indications. Our ongoing Phase 1 dose escalation clinical trial of ONCR-177 is currently enrolling patients with several types of solid tumors, including breast cancers, such as triple negative and hormone receptor-positive breast cancers; squamous cell carcinomas of head and neck, or SCCHN; and cutaneous tumors, including melanoma and non-melanoma skin cancers. We also plan to enroll patients with tumors that have spread to the liver, such as metastases from microsatellite stable colorectal carcinomas, or MSS CRC. We intend to investigate ONCR-177 in our Phase 1 clinical trial both as monotherapy and in combination with the immune checkpoint inhibitor pembrolizumab, which is marketed by Merck under the brand name KEYTRUDA. In July 2020, we entered into a clinical trial collaboration and supply agreement with Merck under which we are conducting the combination arm of the trial in partnership with Merck and Merck is supplying pembrolizumab for the trial with no financial obligation to us.
Our initial clinical development of ONCR-177 is focusing on patients with tumors with low levels of infiltrated immune cells, which are referred to as cold tumors, and who would not be expected to respond to current immunotherapies, as well as patients with tumors infiltrated with high levels of immune cells, or hot tumors, who have not responded to, or progressed after treatment with, immune checkpoint inhibitors. Once we determine a recommended Phase 2 dose, or RP2D, for ONCR-177, we intend to continue its clinical development through focused expansion cohorts. The expansion cohorts are intended to enable us to obtain further safety, biomarker and clinical activity data that will guide our future clinical development. Given its anticipated safety profile and ability to stimulate multiple arms of the immune system to attack cancer systemically, we also believe that ONCR-177 has potential in pre-surgical, or neoadjuvant, settings. We intend to enroll additional cohorts of patients with early-stage breast cancer once the RP2D for ONCR-177 in the Phase 1 clinical trial has been determined.

We are also pioneering viral immunotherapy programs for repeat intravenous administration. This platform is designed to deliver synthetic viral genomes protected within a lipid nanoparticle, or LNP. We believe this approach will avoid the rapid immune clearance from circulation caused by neutralizing antibodies otherwise observed to date with intravenously-administered oncolytic viruses and thought to limit their effectiveness in the clinic. Once inside the tumor, the synthetic viral genome from our synthetic viruses is first amplified and then instructs tumor cells to synthesize actual infectious virions, which can cause tumor lysis before infecting nearby tumor cells while stimulating immune cell recruitment and activity.

Using our Synthetic Platform, we have established preclinical proof of concept for two synthetic viral immunotherapies, based on coxsackievirus A21, or CVA21, and Seneca Valley Virus, or SVV. These viruses have been studied extensively by others in clinical trials in which they have been administered intravenously and shown to be well tolerated. However, patients in these trials developed neutralizing antibodies leading to rapid clearance of the virus from circulation. Our lead Synthetic Platform product candidate, based on a potency-optimized CVA21 strain, is intended to be administered intravenously for the treatment of non-small cell lung cancer, or NSCLC, among other potential indications, including melanoma, and other solid tumors. We are also developing a second synthetic program, which is based on SVV, that is intended to be administered intravenously for the treatment of small cell lung cancer, or SCLC, treatment-emergent small cell neuroendocrine prostate cancer, or t-SCNC, and other neuroendocrine tumors. These synthetic viral immunotherapy programs, referred to as Synthetic CVA21 and Synthetic SVV, respectively, are currently in preclinical development. We intend to nominate clinical candidates in our Synthetic CVA21 and Synthetic SVV programs for clinical development in the first half of 2021.

We believe the therapies that we are developing will bring significant benefit to many patients who are currently underserved by approved immuno-oncology therapies, including other viral immunotherapies and immune checkpoint inhibitors.

**Our pipeline**
The status of our current product candidates is shown in the table below.
Our founders, leadership team and key investors

Our company was co-founded by a team including MPM Capital executive partner Mitchell Finer, Ph.D., who has over three decades of experience in cancer immunotherapy, cell and gene therapy and regenerative medicine. Dr. Finer previously served as our chief executive officer and chief scientific officer and currently serves as our Executive Chairman. Our oHSV portfolio is based upon the work of renowned scientist Professor Joseph Glorioso III, Ph.D., who is chairman of our scientific advisory board. Professor Glorioso has conducted over four decades of research related to the basic biology and genetics of herpes simplex virus and is a pioneer in the design and application of HSV-1 gene vectors.

We have assembled a seasoned leadership team with extensive experience in developing and manufacturing oncology therapies, including advancing product candidates from preclinical research through clinical development and commercialization. Our President and Chief Executive Officer, Theodore (Ted) Ashburn, M.D., Ph.D., was previously Head of Oncology Development at Moderna Therapeutics, Inc. and Global Head of Leukine® (rhu GM-CSF) and Elitek®/Fasturtec® (rasburicase) within Sanofi Oncology at Sanofi S.A., and also held multiple business development roles at Genzyme Corporation. Christophe Quéva, Ph.D., our Chief Scientific Officer and Senior Vice President, Research, previously served as chief scientific officer at iTeos Therapeutics SA. Before iTeos, he held successive senior positions at AstraZeneca, plc, Amgen, Inc. and Gilead Sciences, Inc. where he led or supported multiple drug discovery programs for oncology and inflammatory diseases, from target selection to commercial approval for small molecules and biologics. John Goldberg, M.D., our Senior Vice President, Clinical Development, is a pediatric oncologist who trained at the Dana Farber Cancer Institute with clinical development experience at both H3 Biomedicine Inc. and Agenus, Inc.

Our strategy

To achieve our objective of transforming clinical outcomes for cancer patients through the development of viral immunotherapies, we intend to:

- **Advance ONCR-177 through clinical development both as monotherapy and in combination with pembrolizumab.** We are currently evaluating as monotherapy and eventually, we plan to evaluate, in combination with pembrolizumab, the safety, tolerability, immune stimulation, and preliminary efficacy of ONCR-177 in both cold and hot tumors in a Phase 1 clinical trial (NCT04348916). We expect to report preliminary data from this trial in multiple data readouts beginning in the second half of 2021 through the second half of 2022. We expect these readouts to include preliminary dose escalation and expansion data for ONCR-177 as monotherapy and in combination with pembrolizumab.

- **Advance our synthetic viral immunotherapy product candidates for repeat intravenous administration both as monotherapies and in combination with immune checkpoint inhibitors.** We plan to conduct activities in the near-term that will allow us to optimize the viral genomes and formulation for both our lead synthetic program, which is based on CVA21, and our second synthetic program, which is based on SVV, in order to nominate candidates for further clinical development. Synthetic viral immunotherapy product candidates to be developed from our Synthetic Platform will utilize shared formulation, regulatory and manufacturing strategies, allowing us to be more efficient in the development of subsequent product candidates.

- **Continue to strengthen our position in the viral immunotherapy field through continuous product development and investments in our platforms.** We intend to continue to pursue internal discovery of both HSV-1 and synthetic viral immunotherapy product candidates. We plan to drive innovation and to engineer our next-generation viral immunotherapies to target specific tumors based on tumor affinity, or tropism, and develop transgene combinations tailored to overcome immunosuppressive activity in order to further improve outcomes for cancer patients. A first example of this approach is with the development of ONCR-GBM, our preclinical oHSV program specifically engineered to address the unmet medical need of patients suffering from brain cancer.

- **Broaden and strengthen our in-house manufacturing capabilities.** We have strong in-house process development capabilities for both of our platforms and will continue to invest in building these capabilities and in proprietary processes to enhance our competitive advantage when manufacturing product candidates for our oHSV and synthetic viral immunotherapy programs. We currently leverage external contract manufacturing organizations, or CMOs, to implement our processes to produce material manufactured using
current good manufacturing practices, or cGMP. In December 2020, we entered into a lease agreement for an approximately 88,000 square foot facility in an effort to support our advancing pipeline of product candidates. Initial site build out is anticipated to be completed by the end of 2021 and we expect the facility to be fully operational in 2023.

- Selectively partner with leading biopharmaceutical companies to unlock the full potential of our viral immunotherapy product candidates and platforms while retaining product rights in key markets. We intend to accelerate development of our viral immunotherapy product candidates to commercialization by pursuing strategic partnerships with leading biopharmaceutical companies. Our oHSV and Synthetic Platforms along with our proprietary technology provide us the opportunity to pursue discovery and development partnerships for novel and innovative candidates not currently in our development pipeline. In addition, given the breadth of the therapeutic and global market opportunities for our current product candidates, we believe that entering into select global or regionally focused strategic partnerships for individual product candidates may accelerate development and expand patient access.

Traditional cancer therapy, immunotherapy and the need for new options for cancer patients

The treatment of certain cancers has improved markedly over the past decade. Whereas many cancer treatments were historically limited to surgical removal, cytotoxic chemotherapy and/or radiation, recent advances target specific genetic changes in individual tumors or redirect the patient’s immune system, particularly T cells, to eliminate tumors to improve outcomes. However, unfortunately most patients either are not eligible for, or do not respond to, these therapies. For example, the efficacy of immune-based approaches in patients who qualify for this type of therapy is limited to around 12 percent. While these therapies have advanced the treatment of cancer for some patients, many are still underserved and therapies with improved clinical outcomes are still desperately needed.

The goal of immuno-oncology therapy is to harness an individual's immune system and better enable it to identify, attack and kill tumor cells and to form long-term immunologic memory against such tumors. We believe that the best way to significantly improve outcomes for cancer patients is to stimulate not only T cells, as has been the focus of approved immune checkpoint inhibitors, but also additional key immune cells within the innate and adaptive immune systems. We believe that viral immunotherapies have the greatest potential to achieve this highly desirable aim.

The immune system is generally divided into two arms, the innate and the adaptive, which are responsible for driving immediate and lasting anti-tumor responses. The innate immune system involves a diverse set of cells, including Natural-Killer, or NK, cells, macrophages and dendritic cells, all of which generate a rapid response to any foreign body, pathogen or tumor cell. The adaptive immune system is a second line of defense that is specific to a pathogen or antigen and is triggered when the innate immune system releases signals to activate and recruit cells from the adaptive immune system. The adaptive immune system is composed of T cells and B cells which can form immunologic memory and therefore be activated upon reintroduction of the initial antigen or pathogen. Many of the recent advances in immuno-oncology, such as immune checkpoint inhibitors, have focused on improving the function of T cells, which are a key cell type of a patient’s adaptive immune system.

We see a vast opportunity for therapies that can stimulate robust anti-tumor responses by activating both the innate and adaptive immune systems that also influence both the immunosuppressive tumor microenvironment and systemic immune responses. We believe that viral-based immunotherapies offer this potential benefit by delivering potent immune stimulating agents to tumors that engage key anti-tumor immune cells, including not only T cells, but also NK cells and dendritic cells, and, to inhibit immune suppression within tumors, immune checkpoint inhibitors.

Our focus—unlocking the full potential of viral immunotherapies to engage multiple arms of the immune system to transform outcomes for cancer patients

We believe that viral immunotherapies are the most promising modality available today to activate multiple arms of the immune system and improve outcomes for cancer patients. Viral immunotherapy selectively infects and destroys tumor cells and leverages key cell types from the patient’s innate and adaptive immune systems, resulting in a robust and durable anti-tumor response. In the process of directly killing the tumor, tumor-specific antigens and
danger signals are released. These molecules recruit and activate the innate and adaptive immune responses to identify, attack and destroy tumors and to develop long term immunity against such tumors. Viral immunotherapies can also be engineered to express transgenes to further stimulate and prevent downregulation of the immune system. Viral immunotherapies have several properties that differentiate them from other anti-tumor therapies, which make them particularly attractive additions to today's anti-cancer arsenal, including the ability to:

- **Selectively kill tumor cells.** Viral immunotherapies can be designed to selectively kill tumor cells while sparing healthy cells. Tumor cells are often more vulnerable to killing by viruses than healthy cells because tumors often have diminished antiviral defenses, such as a downregulated interferon pathway, creating an environment conducive to viral replication.

- **Create an inflammatory state that turns cold tumors hot.** When tumor cells die following viral replication, the cells release tumor specific antigens and danger signals, which activate the innate immune system through multiple pattern recognition receptors including TLRs, RIG-I and STING, and promote inflammation within the tumor microenvironment. This, in turn, attracts both innate and adaptive immune cells to the area. Viral immunotherapies have been shown in the clinic to transform so-called cold tumors, with low numbers of infiltrated immune cells, into hot tumors, with high numbers of infiltrated immune cells, which are more likely to respond to checkpoint inhibitors.

- **Cause the release and presentation of tumor-specific antigens.** The breadth of tumor antigens that are presented by viral immunotherapy-induced tumor cell lysis is far greater than that of other anti-tumor vaccine approaches that rely on single antigens or small collections of neoantigens. Viruses kill tumor cells by way of an immunogenic, rather than apoptotic, cell death, which not only alerts and activates the immune system, but also causes the entire contents of the tumor cell to spill out. Tumor cell contents, including tumor-specific antigens or neoantigens, are thereby exposed to the immune system. These antigens can then be presented by the recruited innate immune cells, such as macrophages and dendritic cells, to cells of the adaptive immune system to stimulate highly effective antigen-specific immunity. By activating the adaptive immune response, anti-tumor T cells can then identify and attack all tumors in the body in addition to forming immunologic memory which can provide patients with durable protective immunity.

- **Express transgenes within the tumor microenvironment that encode for immunostimulatory proteins.** Viruses can be engineered to carry transgenes directly into tumors where they can be expressed in high concentrations. These transgenes can encode immunostimulatory cytokines, immune checkpoint antibodies and other proteins that can further amplify anti-tumor immune responses. The ability of viral immunotherapies to deliver potent immunostimulatory factors directly to tumors with minimal systemic exposure represents a powerful method of amplifying the initial immune response by both stimulating the infiltrating immune cells and preventing their suppression in tumors and leads to improved outcomes for cancer patients.

These properties have been clinically validated by viral immunotherapies that are either currently approved or in clinical development. For example, talimogene laherparepvec, or T-VEC, was approved by the FDA in 2015 for the treatment of recurrent melanoma and is marketed as Imlygic® by Amgen. It is an attenuated oncolytic virus based on HSV-1, engineered to deliver a single transgene encoding for granulocyte macrophage colony stimulating factor, or GM-CSF. In a Phase 3 clinical trial in patients with metastatic melanoma, patients treated intratumorally with T-VEC monotherapy had a 26 percent objective response rate compared to 6 percent for the control arm, which was GM-CSF. Notably, responses to T-VEC occurred in only 34 percent of non-injected non-visceral lesions and 15 percent of non- injected visceral lesions, compared to 64 percent of injected lesions, suggesting that, despite encouraging validation that this early-generation oncolytic virus can generate an immune response against a non-injected tumor, increased abscopal activity is needed to improve outcomes for patients. Visceral lesions are lesions that are not cutaneous, subcutaneous or nodal.

The preliminary readout of the MASTERKEY-265/KEYNOTE-034 Phase 1b/3 clinical trial in metastatic melanoma, which was subsequently terminated in Phase 3 for futility, showed a 62 percent objective response rate in patients treated with a combination of T-VEC and KEYTRUDA. In a paper published in the journal *Cell* in 2017 that describes these results, the authors noted that the response rates typically seen in this patient population with single agent pembrolizumab are between 35 and 40 percent. Notably, responses in this trial were seen in 12 of 17 patients with cold tumors as evidenced by the low pre-treatment levels of intratumoral CD8 T cells as shown below,
and a complete response was seen in an 18th patient who had a higher pre-treatment level of intratumoral CD8 T cells.

Figure 1. Combination of T-VEC and KEYTRUDA elicited clinical responses in patients with low tumor CD8 density. Each bar represents a single patient. Abbreviations: CR = complete response, PR = partial response, PD = progressive disease.

In addition, T-VEC was observed in this same trial to create an inflammatory state that turns tumors from cold to hot. Histological examinations taken from the Phase 1b portion of the MASTERKEY-265/KEYNOTE-034 clinical trial provide support for the ability of viral immunotherapies to promote the infiltration of CD8 T cells into tumors providing evidence of the potential for this immunotherapy to enhance response to immune checkpoint inhibitors as shown below.

Figure 2. T-VEC increased tumor-infiltrating lymphocyte density and PD-L1 expression in tumors. The figure shows a combination of melanoma marker (blue), CD8 (green), and PD-L1 (red) staining at high magnification from a patient who had a partial response. The image on the left is from a baseline biopsy (week 1), the image in the middle is from week 6 after injection of T-VEC, and the image on the right is from week 30 after long-term treatment with the combination of T-VEC and KEYTRUDA (pembrolizumab).

In a separate clinical trial, a similar improvement in overall response rate was observed when T-VEC was used in combination with ipilimumab, a CTLA-4 antagonist antibody which is marketed by Bristol-Myers Squibb as YERVOY™, versus ipilimumab alone. Furthermore, improvements in response rates over the single agent immune checkpoint inhibitors pembrolizumab and ipilimumab in melanoma patients has also been reported in clinical trials following intratumoral injection of an unarmed oncolytic virus, CVA21, which is being developed by Merck as CAVATAK®, when used in combination with these approved immune checkpoint inhibitors. The following chart
summarizes the clinical response rates in metastatic melanoma of these various therapies and therapeutic candidates.

**Objective Response Rates in Metastatic Melanoma**

![Chart](chart.png)

**Figure 3.** Objective Response Rates, or ORRs, of two oncolytic viruses both when used as monotherapy and in combination with the immune checkpoint inhibitors, KEYTRUDA (pembrolizumab) and YERVOY™ (ipilimumab) in patients with metastatic melanoma. All data presented are from separate single arm trials except for the YERVOY™ vs. YERVOY™ plus Imlygic (T-VEC) data, which are from a head-to-head trial. The trials from which data are presented are: 1. Andtbacka, et al., JCO, 2015 and Andtbacka, et al., Ann Surg Oncol, 2016; 2. CALM study, Andtbacka et al., ASCO, 2015; 3. Ribas, et al., Cell, 2017; 4. CAPRA study, Silk et al. SITC, 2017; 5. Chesney, et al., JCO, 2017; 6. MITCI study, Curti, et al., AACR, 2017.

We believe these clinical results involving two different viral immunotherapies used with two different immune checkpoint inhibitors provide compelling evidence that viral immunotherapies can improve clinical outcomes while maintaining a favorable tolerability profile. However, a significant unmet need still exists as a result of the limitations of current viral immunotherapies, including: limited transgene payload capacity to drive robust abscopal responses and the need to sacrifice potency for safety by attenuating viral replication in all tissues. We believe that data generated with T-VEC and CAVATAK provide the justification to examine the therapeutic potential of our viral immunotherapy candidates to dramatically improve clinical outcomes and expand the number of tumor types and treatment settings in which they can be used.

**Our oHSV Platform—developing the next generation of oncolytic HSV-1-based viral immunotherapy**

Herpes Simplex Virus-1, or HSV-1, has emerged as the leading viral vector for immunotherapy due to its potency at killing tumor cells, large and well-studied genome, overall safety and sensitivity to acyclovir, and the regulatory approval pathway established by T-VEC. We designed our oHSV Platform to develop improved viral immunotherapies that overcome the limitations in potency and in the ability to stimulate anti-tumor immunity that have both been encountered by previous viral immunotherapies and other immuno-oncology therapies. We also intend to develop therapies derived from this platform that will address multiple types of tumors, including our ONCR-GBM program designed to target brain cancer.

Our oHSV Platform improves upon three basic characteristics of viral immunotherapies: the number of encoded transgenes, which can help drive the extent and robustness of immune responses and abscopal effects; replication competency in tumors, which determines cell killing potency; and selective replication in tumor versus normal tissues to improve potency and to help ensure an acceptable therapeutic index:

- **Greater capacity to encode transgenes to drive systemic immunostimulatory activity.** Using our proprietary technology, we are developing HSV-1-based product candidates with the ability to carry greater numbers of transgenes than viral immunotherapies that are either currently approved or in clinical development. The ability to deliver a combination of rationally and experimentally selected transgenes directly into tumors enables the promotion of greater systemic immunostimulatory activity than could otherwise be achieved. It
also enables the combined delivery of immunostimulatory agents directly to tumors including those that cannot be safely dosed in patients due to systemic toxicities, such as IL-12.

- **Retention of full replication competency to enable high tumor-killing potency.** Using our proprietary oHSV Platform, we are developing HSV-1 based product candidates that retain their full ability to replicate in tumor cells. In contrast, current HSV-1-based viral immunotherapies that are either currently approved or in clinical development have introduced mutations which attenuate their replication competency in both normal and tumor tissues in order to limit toxicity. We believe this has the effect of lowering the potency of the virus in tumor cells and trading off potency for safety.

- **Orthogonal safety strategies to allow tumor-specific replication.** Our oHSV Platform incorporates two highly innovative approaches to restrict viral activity to tumor cells while sparing healthy tissues. The first approach involves the insertion of gene regulatory elements known as microRNA target sequences within the genomes of viruses. The microRNAs complementary to these target sequences are primarily found only in healthy tissues and not in tumor tissues. The second approach involves a proprietary mutation in a HSV-1 protein, known as UL37, which eliminates the virus’ ability to transport, replicate and establish latency inside neurons.

**Our lead product candidate—ONCR-177**

We are developing ONCR-177 for the treatment of multiple cancers. ONCR-177 is a replication-competent oncolytic HSV-1 viral immunotherapy for intratumoral injection carrying five transgenes designed to stimulate multiple arms of the immune system in order to maximize anti-tumor immune responses and abscopal responses in non-injected tumors. In preclinical experiments, we have observed durable virus and immune system driven anti-tumor activity in injected tumors as well as abscopal activity. We have also observed that ONCR-177 is well tolerated in a validated animal safety model of HSV-1 when administered intravenously. We have initiated and begun dosing patients in a Phase 1 clinical trial of ONCR-177 in patients with several different types of solid tumors, including breast cancers and cutaneous tumors. We expect to report preliminary data from this trial in multiple data readouts beginning in the second half of 2021 through the second half of 2022. We expect these readouts to include preliminary dose escalation and expansion data for ONCR-177 as monotherapy and in combination with KEYTRUDA.

**ONCR-177 has broad application for multiple solid tumor indications**

Each year in the United States, approximately 1.5 million patients are diagnosed with solid tumor cancers, and approximately 550,000 die from these diseases. Potentially any patient with a solid tumor can be treated by intratumoral injection, so there is a large unmet medical need for effective intratumoral therapy. Cancers potentially most addressable by intratumoral therapy include breast cancers, including triple negative and hormone receptor positive breast cancers; SCCHN; both melanoma and non-melanoma skin cancer; and injectable visceral tumors that have spread to the liver, such as metastases from MSS CRC. There are several advantages of administering potential therapies, including viral immunotherapies, by intratumoral injection. These advantages include the ability to directly target the tumor, resulting in high local concentrations of the therapeutic agent as well as lower systemic exposure to the therapy, which we believe could potentially limit systemic toxicities.

**Key features of ONCR-177**

We have designed ONCR-177 to achieve both oncolytic anti-tumor activity and potent immune system stimulation. The fundamental ways in which we have applied our technologies to ONCR-177 to improve upon current HSV-1-based viral immunotherapies include engineering the virus to deliver directly into the tumor a greater number of transgenes than the viral immunotherapies that are either currently approved or in clinical development, as well as to retain its full replication competency while broadening tumor infectivity and preventing replication in healthy tissues.

**Delivery of five immunostimulatory transgenes to stimulate systemic anti-tumor responses in both injected and non-injected tumors**

We took advantage of our proprietary deletion of the joint region in HSV-1, creating 25kb of additional payload capacity, to include a rationally and experimentally selected combination of five immunostimulatory transgenes in ONCR-177. Our goal was to include a diverse set of transgenes that increase the overall potency of ONCR-177 in a broad range of potential tumors and in particular, to improve abscopal activity. We evaluated 15 potential transgenes, including GM-CSF, the transgene included in T-VEC, and prioritized transgenes for inclusion in ONCR-177 based on their ability to enhance systemic anti-tumor immune responses in cancer models. We chose
transgenes with the expectation that ONCR-177 would lead to their expression within these tumors with very limited systemic exposure. This feature allowed us to consider transgenes with promising anti-tumor activity that are challenging to deliver intravenously, as monotherapy or in combination with other anti-cancer therapies, due to toxicities. We prioritized combinations of transgenes that work through complimentary, but not overlapping, mechanisms, to stimulate multiple arms of the immune system. Our evaluations suggest that the optimal combination of transgenes within ONCR-177 includes:

- **Interleukin-12, or IL-12**—IL-12 is a potent stimulatory cytokine with established anti-tumoral properties. IL-12 displays multifaceted activities leading to broad immune stimulation of both innate immune cells, such as NK cells and adaptive immune cells, such as T cells. Intravenous administration of IL-12 has demonstrated potent anti-tumor activity in preclinical cancer models, however, its clinical development as a systemic agent has been limited by its toxicity profile. Intratumoral delivery of IL-12 by ONCR-177 strongly stimulated abscopal activity in preclinical models of cancer without causing systemic toxicity.

- **C-C motif chemokine 4, or CCL4**—CCL4 is an inflammatory chemokine that recruits T cells, monocytes and classical dendritic cells to sites of tissue injury or viral infection. Classical dendritic cells have been shown to be particularly important for the presentation of tumor antigens and response to immune therapy. Low CCL4 levels in tumors are predictive of poor T cell infiltration, which is characteristic of cold tumors. The inclusion of CCL4 in ONCR-177 may therefore enhance the recruitment of T cells and dendritic cells within a cold tumor to enhance response to anti-PD-1 and anti-CTLA-4 therapy.

- **Fms-like tyrosine kinase 3 ligand, or FLT3LG**—FLT3LG is a major growth factor that stimulates the proliferation and commitment of classical tumor antigen cross presenting dendritic cells, which are critical for anti-tumor immune responses. We have also shown that the addition of FLT3LG enhanced the abscopal anti-tumor activity of a virus expressing IL-12 in preclinical models.

- **PD-1 antagonist nanobody**—PD-1 is an immune checkpoint that prevents activation of cytotoxic T cells. Its blockade has been clinically validated as an oncology target with the approval of multiple therapies that inhibit the interaction of PD-1 with its ligand, PD-L1. PD-L1 upregulation is a major mechanism of acquired resistance in response to high levels of interferon gamma that are the result of productive anti-tumor and anti-viral immune responses. Inclusion of a PD-1 antagonist nanobody in ONCR-177 is designed to overcome both the endogenous tumor-specific PD-L1 expression as well as increased PD-L1 expression induced in response to the virus, and has demonstrated abscopal benefit in preclinical studies.

- **CTLA-4 antagonist monoclonal antibody; identical in sequence to ipilimumab**—CTLA-4 is a clinically validated immune checkpoint that regulates the activation of T cells independently from PD-1. Co-targeting of CTLA-4 and PD-1 by intravenous administration of blocking antibodies has increased clinical efficacy but is associated with significantly greater toxicities. Inclusion of these two clinically validated immune checkpoint inhibitors in ONCR-177 has the potential to deliver a synergistic activation of anti-tumor immunity with improved tolerability, which we believe will be a result of the intratumoral route of administration.
The multiple mechanisms of action mediated by ONCR-177's inherent oncolytic activity together with the immune stimulation elicited by the viral infection and the expression of these five transgenes are illustrated in the figure below.

Figure 4. Mechanisms of action of ONCR-177. ONCR-177 infected cells allow the production of five payloads as well as viral replication that induces cancer cell oncolysis. The oncolysis results in the release of all tumor antigens and also signals trigger inflammation. CCL4 and FLT3LG can induce the recruitment and differentiation of tumor antigen presenting dendritic cells and IL-12 activates the NK cells and T cells to enhance their cytolytic activity. CTLA-4 blockade promotes the priming and activation of T cells while the PD-1 antagonist prevents the exhaustion of T cells. The T cells can migrate to the other tumor sites to enable abscopal responses.
Retention of full replication competency

ONCR-177 was designed as a fully replication competent HSV-1-based viral immunotherapy to allow for robust viral replication in tumor cells and generate greater tumor lysis and activation of the immune system as compared to HSV-1-based viral immunotherapies that are either currently approved or in clinical development. The ability of HSV-1 to infect human cells has led others to develop HSV-1-derived viral immunotherapies with genetic changes that limit replication by inactivating the g34.5 gene in order to protect healthy tissue. Inactivation of g34.5 makes HSV-1 more vulnerable to the normal antiviral activity of the endogenous interferon pathway, which the body uses to fight viral infections. Consequently, current HSV-1-based viral immunotherapies containing this mutation are less able to replicate in the presence of interferon alpha, or IFNα. Unfortunately, inactivation of g34.5 also leads to unwanted attenuation of viral replication in cancer cells, thereby limiting the potential for these therapies to impact the survival and growth of cancer cells. ONCR-177 retains an active version of the gene that encodes for g34.5 and, therefore, is able to replicate in the presence of IFNα, as seen in the figure below.

![Figure 5. Impact of inclusion of g34.5 in our oHSV product candidates. Inclusion of g34.5 in our HSV-1 vectors allows replication in presence of IFNα compared to a g34.5 deleted virus for which complete suppression of replication is observed in the presence of interferon. PFU=plaque-forming units.](image)

We have chosen not to sacrifice the inherent potency of HSV-1 in cancer cells and have implemented other methods to limit the ability of our HSV-1-based product candidates to replicate in healthy cells. We believe the retention of g34.5 enables our candidates to generate robust infections in tumor cells to drive anti-tumor activity.

Broaden tumor infectivity and increasing the rate of infection

To enhance the ability of HSV-1 to infect a broad spectrum of tumor cells, we have introduced a set of specific mutations in the HSV-1 gB protein, which is a surface glycoprotein that mediates viral entry into cells during infection. These mutations, referred to as gB:N/T mutations, have been shown to increase the range of cells that HSV-1 can infect in addition to increasing the rate of infection. Studies published by one of our co-founders, Professor Glorioso in the *Journal of Virology* in 2012 showed that introduction of these mutations into otherwise identical copies of HSV-1 viruses lead to greatly enhanced infectivity of cell lines, including those lacking the normal receptors for HSV-1. We believe gB:N/T mutations enable our candidates to generate robust infections in a broad spectrum of tumor cells and increase the rate of infection.

Tissue-specific safety controls

We balanced the native viral replication competency and increased infectivity in the development of ONCR-177 with a set of specific genetic safety switches that prevent ONCR-177 from replicating in non-tumor cells and also causing latent infections in neuronal cells using two orthogonal safety strategies. First, we implemented a series of conditional genetic switches in the genetic sequence of ONCR-177 that limit the ability of ONCR-177 to replicate in non-tumor cells. These switches are controlled by the presence of RNA molecules, referred to as microRNAs, and
selectively disable key viral genes responsible for HSV-1 replication and pathogenicity in healthy tissues by targeted RNA silencing via the RNA-induced silencing complex. The microRNAs we selected for ONCR-177 attenuation are differentially expressed in tumors versus healthy tissues as detailed below.

**Figure 6. Principle for microRNA, or miR, dependent attenuation of ONCR-177 in healthy tissues.** microRNA target sequences, or miR-T, engineered into our oHSV product candidates function as conditional switches to control viral replication based on the expression of their complementary microRNAs that were selected to be absent or expressed at low level in tumors versus to normal healthy tissues.

Our attenuation strategy is based on the differential expression of this subset of microRNAs in cancer compared to healthy tissues.

To identify these microRNAs, we conducted a quantitative analysis of 800 regulatory microRNAs in normal and tumor cells. As triggers for the shutdown of ONCR-177 in healthy cells, we chose a set of ten microRNAs from this analysis that are highly expressed in tissues such as the nervous system, skeletal and cardiac muscle, and organs such as the liver and pancreas and not expressed in the tumors we intend to treat with ONCR-177.
The heatmap above shows the differential expression of the microRNAs selected for ONCR-177 attenuation in cancer compared to healthy tissues. Mal.=malignant.

We introduced microRNA target sequences into four critical HSV-1 genes such that the presence of the corresponding microRNAs in healthy tissues would prevent viral replication and pathogenesis. These genes include infected-cell polypeptide 4, or ICP4, and infected-cell polypeptide 27, or ICP27, both of which are transcriptional regulatory proteins essential for viral growth; UL8, a component of the viral replication complex, which we identified as an essential gene for viral replication; and g34.5, which is required for inhibition of host cells’ antiviral response. This microRNA attenuation strategy for ONCR-177 is reflected in the figure below.

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![Heatmap of microRNA expression](image)

**Figure 7.** The heatmap above shows the differential expression of the microRNAs selected for ONCR-177 attenuation in cancer compared to healthy tissues. Mal.=malignant.

**Figure 8.** Overview of ONCR-177 microRNA attenuation strategy. Four cassettes, each containing three microRNA target sequences (miR-T), are inserted in the non-coding region of the HSV-1 gene to control its replication.
Attenuation of multiple viral genes by microRNAs found in normal cells prevent viral replication in these tissues

We have shown that the microRNA responsive sequences that we introduced into these key HSV-1 genes lead to the suppression of ONCR-177 replication in cells expressing any of the corresponding microRNAs. Only when all ten microRNAs are absent, a condition which we have found to occur in tumor cells, can ONCR-177 replication proceed unimpeded.

We also introduced a set of mutations in the gene coding for UL37 that are intended to prevent HSV-1 transport in neurons and to inhibit replication and latency in this cell type. In published in vitro and animal model preclinical studies, HSV-1 containing these mutations was unable to infect the nervous system. In addition, although dosing of unmodified HSV-1 in mice causes neuronal toxicity and hind limb paralysis, as described previously, we have demonstrated that our attenuated viruses are well-tolerated with no signs of neuronal toxicity.

Preclinical, safety studies

We have shown in preclinical models that viral replication and expression of transgenes is restricted to the tumor that is injected. There are no increases in payload gene products in the plasma or in the non-injected tumor, nor is there any evidence of changes in overall levels of plasma cytokines such as interleukin 6, or IL-6, and tumor necrosis factor alpha, or TNFa, often associated with cytokine release syndrome. These results are consistent with our belief that our intratumorally injected virus induces its anti-tumor effects via direct activation of immune cells, which then migrate to distant tumor sites.

In addition, in our preclinical studies of mONCR-177, a mouse version of ONCR-177, we have observed favorable tolerability with the only treatment-related toxicities being low severity lymphocyte hyperplasia in the spleen and reversible body weight loss in the animals. While minor changes in serum cytokine levels were observed in these preclinical studies, which are consistent with immune activation, we did not observe marked elevation in pro-inflammatory cytokines, indicating the lack of a profound inflammatory response to mONCR-177.

Furthermore, in a mouse model validated to test the safety of HSV-1, a wild-type HSV-1, known as KOS, from which ONCR-177 is derived, causes significant toxicity consistent with HSV-1 infection in mice such as neuronal toxicity and hind limb paralysis. In this model, mONCR-177 was well tolerated after both single and repeat intravenous, intrahepatic and subcutaneous injections up to 300-fold the expected intratumoral dose. We believe that these data provide strong preclinical validation for the tissue-specific safety controls engineered into ONCR-177.

Designed to optimize the manufacturing of clinical and commercial material

Through the development of ONCR-177, we have focused on developing a manufacturing process designed to optimize production of clinical grade material at scale. We have developed a closed, serum-free process with the potential to lead to a high yield and overall low cost of goods. We have transferred our process to a commercial CMO for production of our initial batches of clinical material. We continue to invest in our internal manufacturing capabilities and plan to initiate development of in-house clinical grade manufacturing capabilities in 2021 and complete these manufacturing capabilities in 2023 in order to support our pipeline.

Preclinical data supporting our clinical development plan

We intend to develop ONCR-177 for patients who have injectable tumors, including patients with tumors that are not typically associated with response to immunotherapy, such as MSS CRC, and patients with tumors that do typically respond to immunotherapy but for whom the clinical benefit rate remains low, such as SCCHN and TNBC. Our clinical development plan for ONCR-177 in metastatic tumors will include monotherapy evaluation of safety and activity, as well as combination studies to evaluate any additional benefits from PD-1 inhibitors, in addition to evaluation in neoadjuvant settings. These strategies are supported by the following preclinical data.

mONCR-177 activity in multiple tumor models regardless of sensitivity to immune checkpoint inhibitors or immunotherapy

We assessed anti-tumor activity of mONCR-177 across five syngeneic mouse tumor models representing a diverse range of permissivity to HSV-1 and baseline T cell tumor infiltration. In addition to mONCR-177, many of these studies included ONCR-159, the base vector for ONCR-177 that lacks payloads, as a comparator. In these preclinical experiments, mONCR-177 exhibited greater activity in both the injected tumor and non-injected tumors compared to the same dose of ONCR-159, suggesting that mONCR-177 activity is related, at least in part, to its immunostimulatory payloads.
We tested the following models, which are listed in order of decreasing response to existing immunotherapy approaches, such as PD-1 and CTLA-4 antagonists:

- **MC38**, a colon carcinoma cell line originally derived from a strain of mouse that is poorly sensitive to oHSV, or oncolytic HSV, - mediated oncolysis. This tumor model represents a T cell infiltrated inflamed hot tumor that responds to systemic PD-1 immune checkpoint inhibitor therapy, however, it represents a higher bar for oHSV therapy compared to the A20 model described below.

- **A20**, a B cell lymphoma cell line which is moderately to poorly infiltrated with T cells and marginally responsive to single-agent immune checkpoint inhibitors such as PD-1 or CTLA-4.

- **CT26**, a mouse colon carcinoma line that grows robustly as syngeneic allografts in mice. The immune contexture of CT26 tumors suggests a heterogeneous assortment of immune cells arrayed in largely balanced proportions of effector and suppressive phenotypes. Importantly, these tumors are resistant to the murine version of T-VEC and are insensitive to anti-PD-L but respond to CTLA-4 antagonists.

- **B16F10N1**, a mouse melanoma model representing an aggressive tumor type characterized as an ‘immune desert’, with a low degree of infiltration of immune cells, most notably T cells. B16F10 tumors or the variant of B16F10 expressing HSV-1 entry receptor Nectin-1, or B16F10N1, do not respond to many forms of immunotherapy, including immune checkpoint inhibitors. Importantly, these tumors are also resistant to the murine version of T-VEC.

- **4T1**, a mouse breast carcinoma cancer cell line that when implanted subcutaneously or orthotopically spontaneously metastasizes to internal organs, most notably to the lungs. 4T1 is representative of an immunosuppressed tumor microenvironment and is resistant to many types of immunotherapies, including antagonists to immune checkpoints, such as PD-1 and CTLA-4, and viral immunotherapies, including oHSV.

As illustrated in the four figures below, MC38, A20, CT26 and B16F10N1 subcutaneous tumors responded to mONCR-177, demonstrating decreased tumor growth and significant regression. In these bilateral flank tumor models, one tumor is typically injected with a viral immunotherapy or placebo, while the tumor on the opposite flank is not injected. In these models, significant tumor growth inhibition and regressions were observed in injected tumors as well as non- injected tumors demonstrating that mONCR-177 has strong abscopal activity. The low levels of abscopal activity in ONCR-159 treated tumors indicate that the abscopal activity of mONCR-177 is dependent on its immunostimulatory payloads. In the 4T1 model of breast cancer, mONCR-177 injection in the subcutaneous tumor led to a significant inhibition of lung metastasis. We believe that the ability to suppress the development of non-injected rapidly growing tumors or metastatic disease is a critical attribute of mONCR-177 indicating the potential to produce systemic anti-tumor immunity. If this activity is also seen in patients, we believe it could provide two noteworthy benefits: not only could it allow patients with known metastatic disease to be treated without requiring metastases to be specifically identified and injected, but it may also lead to the suppression of metastases that are still too small to detect in patients with earlier-stage cancers.

**Figures 9-12. Activity of mONCR-177 in the A20, MC38, CT26 and B16F10N1 models.** Error bars indicate group mean ± standard error of the mean of tumor volumes for both the right and left flank tumors after intratumoral injection.
administration of phosphate-buffered saline, or PBS, control or mONCR-177 into the right flank tumor or the injected tumor. Dosing was repeated every third day for a total number of three doses. Tumors were measured bi-weekly (n=10 in A20, MC38 and B16F10N1 and n=12 in CT26).

We believe these data support the broad development of ONCR-177 as monotherapy in patients with metastatic solid tumors.

*mONCR-177 triggers immune activation, a key driver for anti-tumor activity*

Through a series of experiments in mice, we observed that most of the anti-tumor effect generated by mONCR-177 is due to its ability to stimulate the immune system. We also observed a contribution to the shrinkage of tumors from mONCR-177’s oncolytic viral activity in injected tumors. These experiments demonstrated increased tumor cell infiltration involving T, NK and dendritic cells and that anti-tumor activity was dependent on T cell and NK cell activity.

We conducted *in vivo* pharmacology studies in immune competent mice to investigate immune-mediated mechanisms of action of mONCR-177. These studies included histologic (immunohistochemistry), molecular (transcriptional profiling), or cellular (flow cytometry) profiling of injected and non-injected tumors.

As shown in the figure below, significant CD3 T cell infiltration was observed in the oHSV-sensitive A20 tumor model in the injected and non-injected tumors after mONCR-177 treatment compared to PBS control.

**Figure 13.** T cell infiltration are recruited in injected and non-injected tumors after mONCR-177 intratumoral administration (n=5 per group).

These histology data suggest that mONCR-177 can promote a robust T cell influx into both the injected and non-injected tumors. Additional analysis of transcriptional profile and flow cytometry expanded on this data by showing the recruitment and activation of T cells, NK cells, and classical dendritic cells and the development by transcriptional analysis of a gene signature associated with cytolytic T cells, interferon response and antigen presentation.

Therapeutic efficacy of other viral immunotherapies, including oHSVs, has been shown to be critically dependent upon CD8 T cell and NK cell immune responses. As shown in the figure below, we conducted immune subset depletion studies that demonstrated the dependency of the anti-tumor activity of mONCR-177 in the A20 tumor.
model on the presence of CD8 T cells and NK cells. When CD8 cells were depleted from mONCR-177-treated animals, the survival benefit in mONCR-177 mice was lost and the outcome of the treated mice became indistinguishable of those of placebo-treated controls. This suggests that mONCR-177-induced CD8 cytotoxic T and NK cells drive most of the anti-tumor activity. The ability of mONCR-177 to lead to stimulation of both the NK cells from the innate immune system and the CD8 T cells from the adaptive immune system is a strong driver for its potential across multiple tumor models.

Figure 14. mONCR-177 survival benefit was shown to be dependent on both CD8 T cells and NK cells in the A20 bilateral flank tumor model (n=10 per group).

mONCR-177 treatment leads to the development of immunologic memory and to the development of protective anti-tumor activity as shown in rechallenge studies

Immunologic memory is a central tenet of the adaptive immune response, which is the ability to swiftly, potently, and specifically mount a response against a previously encountered antigen. The memory response is primarily mediated by CD8 and CD4 T cells, a small subset of which differentiate to a long-lived memory cell phenotype after resolution of the initial immune response to particular tumor antigen(s). These memory T cells patrol the body and quickly differentiate to effector cells upon re-encounter with cognate antigen, to mediate efficient eradication of the tumor. Preclinical reports have shown that successful viral immunotherapy can provide long-term protection from tumor rechallenge.

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We assessed the ability of mONCR-177 therapy to elicit a long-term protective anti-tumor immunologic memory response in the A20 tumor model. Mice bearing established single flank subcutaneous A20 tumors were dosed intratumorally with either placebo control or mONCR-177. Of the 40 mice treated with mONCR-177, 37 achieved complete tumor regressions followed by significantly prolonged survival compared to placebo control-treated mice \( (p<0.0001) \), as shown in the figure below. Subsequently, mice cured of either single or dual flank tumors were observed for three to five months for signs of tumor recurrence and resolution of the primary anti-tumor immune responses, and then rechallenged with A20 tumor cells. Upon challenge in naïve age-matched mice, A20 tumors cells formed rapidly growing tumors whereas mice that had prior complete tumor regressions uniformly rejected A20 cells and survived tumor-free until the end of the monitoring period as shown below.

**Figure 15.** mONCR-177 treatment shown to elicit specific and durable protective immunologic memory in mice bearing A20 with tumors previously completely regressed by mONCR-177 administration (mouse model on left, \( n=40 \), mONCR-177 treated group, \( n=10 \), PBS group; mouse model on right, \( n=10 \) per group).

We observed similar results in mice bearing CT26 tumors that received intratumoral injection of mONCR-177 and that were then subject to similar rechallenge studies involving the CT26 tumor model, as shown below.

**Figure 16.** Treatment with mONCR-177 is shown to lead to long-term survival in the CT26 bilateral mouse model (left) \( (n=12 \) per group) and to development of protective immunity as demonstrated by tumor rejection and survival in mice that completely regressed CT26 tumors and were rechallenged by the same tumor (right) \( (n=5 \) per group).

We believe these results demonstrate that intratumoral mONCR-177 monotherapy can elicit anti-tumor activity that is accompanied by the development of a specific and durable protective immunologic memory response. Based on these data, we plan to develop ONCR-177 as monotherapy in settings where immune checkpoint inhibitors have little impact.

mONCR-177 activity with systemic anti-PD-1 blocking supports combination therapy with immune checkpoint inhibitors Intratumoral therapy of mONCR-177 enhanced the ability of systemic anti-PD-1 therapy to promote inhibition of tumor growth in the MC38 tumor model. The inflammatory microenvironment set up by mONCR-177, a replicating oHSV expressing IL-12, FLT3LG, and CCL4, is anticipated to result in compensatory upregulation of immune checkpoints such as PD-L1 and CTLA-4. IFNα-mediated upregulation of PD-L1 provides a potential mechanism for immune evasion by the tumor that can in turn be circumvented by blockade of the PD-1 pathway.
which in the case of ONCR-177 is mediated in the injected tumor via the anti-PD-1 nanobody and in non-injected tumors via systemically administered anti-PD-1 antibody.

As shown in the figure below, systemic anti-PD-1 therapy in the MC38 tumor model resulted in response rates for both the right and left flank tumors, significantly (p<0.0001) different from its isotype control, or IgG2a, confirming the sensitivity of the model to anti-PD-1 immune checkpoint therapy. In addition, when administered in combination, mONCR-177 and anti-PD-1 therapy resulted in a significantly enhanced response rate on the non-injected tumor compared to either mONCR-177 (p=0.002) or anti-PD-1 (p=0.003) monotherapy. For the injected tumor, most of the activity was due to mONCR-177 treatment with a trend (p=0.09) of slightly greater activity with combination treatment.

**Figure 17. Activity of mONCR-177 and anti-PD-1 combination therapy in the MC38 tumor model.**

These results suggest that whereas mONCR-177 single agent treatment was sufficient to drive most of the observed activity in the injected tumor, the addition of systemic anti-PD-1 therapy augmented activity in tumors that are sensitive to anti-PD-1 therapy. These data support our plans to develop ONCR-177 in combination with immune checkpoint inhibitors in patients with tumors that are sensitive to immune checkpoint inhibitor therapy.

**mONCR-177 activity in suppressing micro-metastases in the 4T1 model of metastatic breast cancer supports the potential for neoadjuvant breast cancer treatment**

We assessed the potential for ONCR-177 to treat micro-metastases in 4T1 based breast carcinoma cell line that when orthotopically implanted spontaneously metastasizes to internal organs, most notably to the lungs. 4T1 is representative of an immunosuppressed tumor microenvironment and is resistant to many types of immunotherapies, including immune checkpoint inhibitors and viral immunotherapies, including oHSV-1. As shown in the figure below, treatment with mONCR-177 resulted in a lower number of lung tumor nodules as compared to control PBS or the unarmed ONCR-159.
mONCR-177 activity is not affected by pre-existing immunity to HSV-1

Intratumoral administration of viral immunotherapies allows large amounts of active agent within the target tumor tissue, while limiting systemic exposure and potential toxicity. This dosing strategy allows efficient viral replication, oncolysis and payload expression within the tumor tissue, thereby increasing the chance to nucleate a potent local and systemic anti-tumor immune response. However, anti-tumor activity after intratumoral administration may potentially be limited by the anti-viral antibody response. Pre-existing exposure to HSV-1 has potential clinical implications since the majority of the world population has been exposed to HSV-1 and presumably has circulating neutralizing antibodies. Clinical data attained with T-VEC suggests that efficacy from intratumoral administration of viral immunotherapies may be unaffected by the anti-viral humoral response.

To examine this issue as it relates to our ONCR-177 program, we evaluated the effects of pre-exposure to HSV-1 and the presence of circulating anti-HSV-1 antibodies on the activity of mONCR-177. As illustrated in the figure below, anti-tumor activity was shown to be similar for mONCR-177 treated naive and immunized groups.

Together, these results show that pre-existing immunity to HSV-1 has no apparent effect on either the *in situ* or abscopal anti-tumor activity of mONCR-177 and further supports the development of ONCR-177 in patients with solid tumors across multiple histologies.
In June 2020, we initiated, and are currently enrolling patients in an ongoing Phase 1 dose escalation basket trial of ONCR-177. We expect to enroll approximately 20 patients who are either refractory and/or intolerant to standard of care, and who have injectable surface tumors such as breast cancer; SCCHN; melanoma and other cancers of the skin. Subject to positive safety and tolerability data in patients with injectable surface lesions, we intend to enroll approximately 20 additional patients with visceral tumors in the liver, such as metastases from MSS CRC. We plan to dose each patient with up to six doses of ONCR-177. The primary endpoints in this Phase 1 clinical trial are safety and tolerability both as monotherapy and in combination with the immune checkpoint inhibitor KEYTRUDA (pembrolizumab), which is being supplied for the trial by Merck. Secondary endpoints include anti-tumor responses and markers of immune activation. After we have determined the recommended Phase 2 dose, we intend to enroll patients into disease-specific expansion cohorts of approximately 10 patients each. Data from dose escalation and expansion will be used to refine plans for the next clinical trials in ONCR-177’s development. Our Phase 1 trial and early clinical development plan is summarized in the figure below.

**Figure 20. Clinical development plan for ONCR-177 in advanced solid tumors.** Our dose escalation will include four dose levels starting at 1x10^6 PFU/dose in 1 mL, escalating in log increments up to 1x10^8 PFU/dose in 1 mL, with the final dose level at 4x10^8 PFU/dose in 4 mL. After escalation, we intend to treat tumors with a concentration of 1x10^8 PFU/mL, up to 4 mL, with volume dependent on tumor size, similar to how talimogene laherparepvec is used today. *Basket study including breast, squamous cell carcinoma of the head and neck (SCCHN) and melanoma. **Any liver metastases. RP2D=Recommended Phase 2 Dose.

We are also investigating potential clinical trials to assess the ability of ONCR-177 to lead to therapeutic benefit in neoadjuvant settings. We believe that the potential ability to induce immune responses without the consequences of systemic toxicities may represent an important mechanism to control tumor growth, prevent the spread of tumors, improve the ability to surgically remove tumors and perhaps reduce the need for surgery. For example, women who present with localized breast cancer suitable for resection, particularly women with TNBC, may be suitable candidates for ONCR-177 therapy. A clinical trial in this treatment setting reported recently by researchers at the Moffit Cancer Center demonstrated complete pathologic responses in five out of nine non-metastatic TNBC patients treated with T-VEC (NCT02779855). We plan to initiate a separate trial or cohort in our Phase 1 trial with ONCR-177 in such neoadjuvant settings, as shown in Figure 20, pending the results of our dose escalation trial in patients with advanced tumors, including those with TNBC.

**Potential market opportunity for ONCR-177**

We believe that ONCR-177 has the potential to have anti-tumor activity in the broad spectrum of superficial, subcutaneous, and visceral tumors that can be treated by intratumoral injection. Our clinical development plan is focused on two strategies to address unmet medical needs: treatment of refractory patients with advanced diseases that have some but incomplete benefit from existing immunotherapies, beginning with cancers including TNBC and SCCHN, and treatment of tumors typically resistant to immunotherapy, such as MSS CRC, using ONCR-177 to overcome lack of response. We will first focus development on later stage patients with fewer options, and assuming
we are able to demonstrate clinical proof of concept, will then seek to address the problems of early-stage patients in, for instance, newly diagnosed, non-metastatic TNBC and neoadjuvant settings.

**Figure 21.** ONCR-177 clinical strategy intended to address diverse histologies, across multiple lines of therapy, both as a monotherapy and in combination with checkpoint inhibitors.

We believe that, because ONCR-177 combines six immunotherapy approaches in one viral immunotherapy while retaining full replication competency and an anticipated favorable safety profile, we should be able to generate robust clinical data, such as durable response rate and survival data. In addition, we believe that if ONCR-177 is approved, its commercial acceptance could benefit from the pioneering efforts of previous oncolytic viruses in that many centers now have experience administering infectious therapeutic agents directly into tumors. We also believe that the commercial acceptance of ONCR-177 could be enhanced by a clinical development plan that will focus on cancers that are unmet medical needs and have been difficult to treat such as SCCHN, TNBC and MSS CRC, not primarily on melanoma. We believe that our data also suggest a role for ONCR-177 as both monotherapy and as part of combination therapy.

**SCCHN disease background**

SCCHN is the sixth most common form of cancer representing a broad category of cancers including tumors of the oral cavity, oropharynx, larynx, and hypopharynx that have been grouped anatomically. Each year, SCCHN is diagnosed in more than 600,000 people worldwide, with 65,000 new cases and more than 13,700 deaths occurring in the United States alone. Five-year survival for newly diagnosed patients is 65 percent, however, approximately 20 percent patients present with metastatic disease where less than 40 percent of patients survive five years.

Currently available treatments for SCCHN involve combinations of chemotherapy, radiation and surgery. These treatments are associated with acute and long-term effects including swallowing dysfunction, dry mouth, and dental problems. Although immunotherapy is active in SCCHN, most patients who are treated with immune checkpoint inhibitors will eventually progress and will need additional treatment options. Both nivolumab and pembrolizumab were approved for patients with SCCHN that has progressed on prior platinum therapy in 2016, based on improved ORR. Pembrolizumab was recently approved in 2019 as the first-line treatment of patients with metastatic or unresectable, recurrent SCCHN. Pembrolizumab in combination with platinum and 5-FU is indicated for all SCCHN patients, whereas pembrolizumab as a single agent is indicated for SCCHN patients whose tumors express PD-L1 combined positive score, or CPS, ≥1. This first line approval is based on results from the Phase 3 KEYNOTE-048 trial, where pembrolizumab monotherapy demonstrated a significant improvement in overall survival, or OS, compared with the EXTREME regimen (cetuximab with carboplatin or cisplatin plus FU), a standard treatment, as monotherapy in patients whose tumors expressed PD-L1 (CPS ≥1) and in combination with chemotherapy in the
Breast cancer disease background

Breast cancer is the second leading cause of cancer death in women in the United States and worldwide. Approximately 269,000 women in the United States are diagnosed with breast cancer and 41,800 die from this disease each year. There is significant unmet need, especially in aggressive and relapsed forms of the disease. For example, TNBC tends to grow, spread and recur faster than most other types. Women with TNBC are also more likely to develop metastasis, and these women typically have a poorer prognosis than women with other types of breast cancer due to the lack of available therapies. Meeting the unmet medical needs in TNBC will require both more effective treatment in the non-metastatic setting, and more effective treatment for patients who already have metastases at diagnosis. Immunotherapy is showing promise in both settings, although there remains need for improvement. Additionally, while survival rates are better for hormone receptor positive disease, the subtype which the majority of patients with breast cancer have, for those who recur after standard treatments, new options to improve the immune response are also needed as such patients comprise the majority of poor outcomes in breast cancer.

In March 2019, the FDA approved the first immunotherapy regimen in breast cancer, a combination of nab-paclitaxel and atezolizumab, an anti-PD-L1 immunotherapy, for the treatment of patients with unresectable locally advanced or metastatic PD-L1-positive TNBC. The addition of atezolizumab to nab-paclitaxel was shown by Schmid and colleagues to have increased the PFS from 5.5 to 7.2 months for patients whose tumors were PD-L1 positive, although there was no improvement in PFS for patients whose tumors were PD-L1 negative. Similarly, pembrolizumab combined with chemotherapy was associated with an improvement in PFS of 9.7 months versus 5.6 for chemotherapy alone in patients whose tumors expressed high PD-L1. Pembrolizumab was granted accelerated approval by FDA in November 2020, in combination with chemotherapy for the treatment of patients with PD-L1 positive TNBC. We believe that the immunostimulatory activity associated with ONCR-177 has the potential to further enhance this benefit, and may extend the benefit of immunotherapy to PD-L1 negative patients, who are the majority of metastatic TNBC patients, by virtue of increasing inflammation in the tumor microenvironment and upregulating PD-L1.

Up to 95 percent of cases present at an early-stage, and such patients are typically treated with surgery to remove the tumor(s) and possibly some of the lymph nodes. About 25 percent receive a course of chemotherapy prior to surgery in order to shrink a tumor and make it more amenable to resection. This pre-surgical treatment is known as neoadjuvant therapy. Pre-treating patients in the neoadjuvant setting who have early, localized but high risk breast cancer, such as TNBC, with chemotherapy makes tumors smaller, decreases the invasiveness of the surgical resection, and improves long-term outcomes. Neoadjuvant treatment has been established in downstaging large or locally advanced tumors allowing breast-conserving surgery, thereby avoiding mastectomy and has also been shown to improve survival outcomes.

Breast cancer patients with tumors who achieve a pathological complete response, or pCR, to neoadjuvant therapy, meaning no tumor is found at the time of surgery because the pre-treatment has caused a complete response, have been shown to have lower recurrence rates compared with those with a partial response. While pCR has been achieved only in around 30 percent of patients with TNBC, it is a validated endpoint for clinical benefit that is recognized by FDA and other health agencies. Schmid and colleagues recently reported that the addition of pembrolizumab to chemotherapy for neoadjuvant therapy improved the pCR from 51.2 percent to 64.8 percent in patients with non-metastatic TNBC, and that the effect was not confined to patients whose tumors were PD-L1 positive. In light of the findings for immunotherapy in both metastatic and neoadjuvant treatment of TNBC, there are reasons to believe that ONCR-177 can potentially improve outcomes and address compelling unmet medical needs.
Colorectal carcinoma disease background

Colorectal carcinoma, or CRC, is one of the most common cancers with approximately 135,000 patients a year diagnosed in the United States, in part due to Western diets and other lifestyle risk factors. Although prevention and treatment have improved outcomes and mortality, largely through earlier detection, approximately 50,000 people a year will ultimately succumb to CRC in the United States, and the incidence is increasing in patients less than 50 years of age. Treatment of earlier stage CRC involves surgical resection and ongoing surveillance. For patients with locally aggressive or metastatic disease, chemotherapy may be recommended in addition to surgery.

For most patients, initial chemotherapy is based on FOLFOX (5-FU, leucovorin and oxaliplatin), or similar agents. In second line or in more aggressive initial presentations, patients may receive a FOLFOX type regimen plus a targeted agent, for instance cetuximab for KRAS and NRAS wild type patients, based on their molecular signature. The small number of patients who have microsatellite instability high, or MSI-H, CRC may receive pembrolizumab, a PD-1 inhibitor, as first line treatment. MSI-H tumors have more genetic mutations in them, generating neoantigens, which lead to improved immune responses against the tumor and clinical benefit.

MSS CRC tends not to have the high number of genetic mutations in it that MSI-H does, so it does not trigger an immune response and patients with such tumors do not benefit from immunotherapy. In keeping with this, it is a cold tumor with little infiltration of CD8 T cells at baseline. After second line therapy, MSS CRC is difficult to cure and patients are recommended to consider clinical trials by the NCCN Guidelines. By later stages, many patients with CRC have also experienced spread to the liver, which is a more immunosuppressed environment than other tissues. However, ONCR-177 as a heavily armed viral immunotherapy is designed to overcome this immunosuppression as well as force tumor antigen presentation by virtue of its immunomodulatory payloads and tumor vaccinal effect. Approximately 85 percent of patients with CRC have MSS disease and around 50 percent of CRC patients develop liver metastases, so there remains a large unmet medical need in MSS CRC patients with metastases to the liver.

Additional product candidates being developed based on our oHSV Platform

We are applying our oHSV Platform technology towards the development of a portfolio of other viral immunotherapy product candidates, leveraging the knowledge and experience gained through the development of ONCR-177 and our other programs.

A second program utilizing our oHSV platform will specifically target brain cancer, including glioblastoma multiforme, or GBM, the most frequent and aggressive form of brain cancer. We intend to leverage our knowledge of microRNA expression to engineer a microRNA attenuation strategy designed to protect healthy brain tissue and select a combination of payloads that address the specific drivers of immune suppression in brain cancer. We have initiated studies to select payloads and micro-RNA targets specific for brain cancer and anticipate candidate nomination in the second half of 2021.

Glioblastoma Multiforme background

GBM, with its typically poor prognosis, represents a particularly acute unmet medical need. In the United States, it is estimated that there are approximately 18,000 newly diagnosed patients each year and 13,000 deaths annually. Newly diagnosed high-grade patients have a median overall survival of 15 to 17 months; the 5-year overall survival rate is only 5.6%. For patients in which disease recurred the prognosis is much worse, with a median overall survival of 6 to 8 months, while in patients who failed treatment with temozolomide and bevacizumab, or equivalent salvage chemotherapy, overall survival is reported being as short as 3 to 4 months. The current FDA-approved therapies bevacizumab, carmustine wafer, NovoTTF-100A, and lomustine are only marginally effective in extending overall survival in patients with recurrent GBM. The initial results from other companies’ clinical trials with immune checkpoint inhibitors such as anti-PD-1 antibodies have been disappointing in patients with recurrent high-grade gliomas.

Our Synthetic Platform—enabling the repeat intravenous administration of viral immunotherapies

The intravenous administration of viral immunotherapies is an attractive approach for improving the standard of care for many oncology patients because it allows for all tumors in a patient, including micro-metastases that are sometimes difficult to detect and treat, to be treated directly. In addition, it allows for potential treatment of certain tumors, such as those of the lung, that are less amenable to repeat intratumoral injection of anti-cancer therapies for safety and feasibility reasons. While multiple viruses have been administered intravenously to treat tumors, they have
all been challenged by limited efficacy due to the rapid development of neutralizing antibodies. If neutralizing antibodies could be avoided by virtue of a LNP, which is generally not immunogenic, this would, in turn, allow the administered therapy to reach tumors and enable repeat intravenous administration viral immunotherapies.

Our Synthetic Platform is focused on designing and developing viral immunotherapy candidates that can effectively infect tumors while avoiding neutralizing antibodies thereby allowing for repeat intravenous administration. To overcome the limitations caused by neutralizing antibodies, we have developed a novel delivery strategy, in which we engineer a synthetic viral immunotherapy comprised of a synthetic viral genome encapsulated within an LNP that is intended to be less immunogenic than a natural viral capsid.

Figure 22. Diagram comparing a native oncolytic virus to our synthetic virus.

Once inside the tumor cells, and as is the case with other viral immunotherapies, these genomes replicate and generate a burst of infectious virions that then spread locally and lyse adjacent tumor cells, as illustrated in the figure below.

Figure 23. Schematic representation of the mode of action of our synthetic viruses.

Our current synthetic viral immunotherapy programs are based on coxsackievirus A21, or CVA21, and Seneca Valley Virus, or SVV, which have both demonstrated acceptable safety and tolerability when virions have been administered
intravenously in early clinical trials conducted by others, but where the efficacy was likely limited by the subsequent development of neutralizing antibodies.

We have demonstrated proof of concept of this approach in preclinical models showing that synthetic viral immunotherapies based on both CVA21 and SVV, when administered intravenously, are able to successfully deliver a synthetic viral genome to tumors leading to production of replication competent viruses within the tumors and to tumor growth inhibition. Our synthetic viral immunotherapy product candidates to be developed from our Synthetic Platform will utilize shared formulation, regulatory and manufacturing strategies, allowing us to be more efficient in the development of subsequent product candidates.

Our synthetic viral immunotherapy product candidate selection criteria

We select oncolytic viruses for development for our Synthetic Platform based upon two factors, clinical experience with these viruses and technical feasibility:

- **Clinical experience.** The foremost factor which drives our selection of viruses for our Synthetic Platform has been clinical experience with these viruses demonstrating their tolerability after intravenous dosing in cancer patients as well as their ability to replicate in tumors. For example, both CVA21 and SVV have been well tolerated in clinical trials after intravenous dosing. Furthermore, these viruses were shown to replicate in patients’ tumors expanding on preclinical observation made for both CVA21 and SVV in animal models indicating that these viruses can lyse tumor cells. We believe these early viral immunotherapy product candidates would likely be further advanced in the clinic if not for the emergence of neutralizing antibodies in the first one to two doses, which limit the ability of subsequent doses to reach tumor sites, and the intravenously administered viruses’ inability to avoid these antibodies.

- **Technical feasibility.** The identification of, and clinical utility of LNPs, has been driven by the need to intravenously deliver other therapeutics, typically nucleic acids such as RNA, to patients. The recent approval of patisiran, marketed as ONPATTRO® by Alnylam, provides validation that LNPs can be used to safely and effectively deliver nucleic acid therapies to patients through repeat intravenous administration. The synthesis of LNPs for tumor distribution requires the selection of viruses with genome sizes compatible with the loading capacity of an LNP. This has steered our selection of synthetic viruses for product development to oncolytic RNA viruses such as CVA21 and SVV.

*Synthetic CVA21—our lead synthetic viral immunotherapy program*

We are developing a synthetic viral immunotherapy product candidate for repeat intravenous administration based on CVA21. We selected CVA21 for our first synthetic viral immunotherapy program, which we refer to as our Synthetic CVA21 program, based on a number of attractive properties such as clinical safety and tolerability after intravenous dosing in patients, ability to replicate in solid tumors, and its inability to insert into the host chromosome eliminating the potential of insertional mutagenesis. CVA21 is a picornavirus that has broad tumor tropism, in particular for NSCLC, melanoma, bladder cancer and other solid tumors. We intend to develop Synthetic CVA21 for these indications. In preclinical studies conducted by us and others, treatment with CVA21 resulted in significant tumor growth inhibition in mouse tumor models including SK-MEL-28 melanoma cells.

*Coxsackievirus A21 (CVA21)*

Coxsackievirus A21 is a naturally occurring RNA virus that normally causes mild upper respiratory tract infections in humans. Most studies on coxsackievirus focus on the CVA21 kuykendall strain which is currently in clinical development for melanoma, triple negative breast cancer, head and neck squamous cell carcinoma, and cutaneous squamous cell carcinoma by Merck as CAVATAK.

In early clinical trials, CAVATAK was well-tolerated when dosed either intratumorally or intravenously and associated with both local and distant tumor responses. In a Phase 2 trial, intratumoral injections of CAVATAK in patients with late-stage melanoma showed durable objective responses in 19.3 percent of patients. Tumor biopsies of treated patients demonstrated the presence of virions and increased infiltration of immune cells in tumors. Clinical trials of intravenously administered CAVATAK also found that neutralizing antibodies developed against the virus after approximately seven days resulting in a limited window in which repeat intravenous doses could potentially be effectively delivered.
We selected a CVA21 viral strain, named ONCR-CVA21, that demonstrates more potent oncolytic activity in cancer cell lines including in cells derived from NSCLC than the Kuykendall strain developed by Merck as CAVATAK. In preclinical studies intravenous dosing of Oncorus Synthetic CVA21 resulted in tumor shrinkage in two xenograft models of NSCLC, including in the NCI-H1299 as shown in the figure below, which provides preclinical validation for our Synthetic CVA21 program.

**Figure 24.** Synthetic ONCR-CVA21 had anti-tumor activity in an NCI-H1299 NSCLC tumor model when dosed intravenously twice every 7 days. Synthetic ONCR-CVA21 is more active than Synthetic CVA21 based on the Kuykendall (CAVATAK) strain. (n=8 per group; p<0.0001 for Synthetic ONCR CVA21 versus PBS control or Synthetic Kuykendall CVA21).

We intend to nominate a clinical candidate in our Synthetic CVA21 program for development in the first half of 2021 and begin IND-enabling toxicology studies shortly following nomination.

**Synthetic SVV—our second synthetic viral immunotherapy program**

In addition to CVA21, we are developing a second synthetic virus product candidate based on Seneca Valley Virus, or SVV, derived from our Synthetic Platform. In this synthetic viral program, we encapsulate the SVV genome into LNPs and are investigating both an unarmed synthetic virus as well as a synthetic virus armed with immunostimulatory transgenes.

We selected SVV based on a number of attractive properties such as clinical safety and tolerability after intravenous dosing in patients, ability to replicate solid tumors, and its inability to insert into the host chromosome eliminating the potential of insertional mutagenesis. SVV is a picornavirus that has tropism for several human tumor cell lines, in particular those with neuroendocrine features. Cancers with neuroendocrine features include SCLC and treatment-emergent small-cell neuroendocrine prostate cancer, or t-SCNC. In preclinical studies led by others, SVV was shown to result in complete and durable eradication of tumors in multiple mouse tumor models including NCI-H446 cells, and in a mouse model of medulloblastoma, SVV was shown to lead to increases in long term survival.

Past attempts at developing SVV monotherapy as a treatment for cancer have demonstrated no dose limiting toxicities and increases in viral titers in patients treated with low doses of virus in Phase 1 and Phase 2 trials. In these trials there was also evidence of selective viral replication in tumor tissue but not adjacent healthy tissue. These observations are consistent with the ability of SVV to specifically target and replicate in tumor cells and to be well-tolerated after intravenous dosing. In these trials, patients who received SVV also developed neutralizing antibodies, resulting in rapid clearance of the virus from circulation, limiting the ability to deliver repeat doses effectively, which we believe has hampered the therapeutic potential of prior SVV candidates.
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Synthetic SVV Program preclinical data
In a preclinical study, an LNP-encapsulated synthetic SVV genome was administered intravenously in a mouse NCI-H446 model of human SCLC. As shown in the first figure below, this synthetic viral immunotherapy led to a significant reduction in tumor growth as compared to placebo and, as shown in the second figure below, the presence of neutralizing antibodies did not have a significant effect on the observed reduction in tumor growth.

Figure 25. Synthetic SVV led to tumor growth inhibition in the NCI-H446 SCLC tumor model when dosed intravenously twice every 7 days (n=8 per group). p< 0.0001 SVV versus PBS.

Figure 26. Efficacy of Synthetic SVV is not inhibited by SVV neutralizing antibodies. Synthetic SVV leads to tumor growth inhibition in the NCI-H446 SCLC model when dosed intravenously in presence of either control or neutralizing SVV antibodies (Ab). By contrast, the efficacy of SVV virions (SVV) dosed intravenously is inhibited by SVV neutralizing antibodies (n= 10 per group, p<0.0001 for Synthetic SVV + control Ab, Synthetic SVV + neutralizing Ab and SVV + control Ab vs. PBS or SVV + neutralizing Ab).

After intravenously dosing our LNP-encapsulated synthetic SVV genome, we examined multiple tissues from treated animals for the presence of negative-strand SVV RNA to assess the replication of our synthetic SVV in these tissues. Testing for the presence of negative-strand SVV RNA is a sensitive way of assessing the replication of our synthetic SVV that is based on the fact that SVV is a positive-strand RNA virus that requires a negative-strand RNA as a replication intermediate. As illustrated in the figure below, we found negative-strand RNA only in tumor tissue and...
not in the liver, demonstrating that the synthetic genomes were delivered to the tumor cells and resulted in the generation of fully infectious virions within the tumor, but did not replicate in tissues outside the tumor.

Detection of SVV Replicating Genomes

Figure 27. Replicative SVV intermediates, negative-strand RNA, are found in the tumors but not in liver. Each histogram represents a dosed animal. PBS = phosphate-buffered saline control; Neg = non-replicating SVV control; SVV = active, synthetic SVV; cDNA = complementary DNA; (-)ssRNA = negative single strand RNA.

We believe that the ability of SVV to target neuroendocrine tumors as a monotherapy, as well as the potential for adding benefit in combination with immune checkpoint inhibitors, could allow us to bring therapeutic benefit to patients for whom there are limited treatment options. We intend to nominate a clinical candidate in our Synthetic SVV program for development in the first half of 2021 and begin IND-enabling toxicology studies shortly following nomination.

SCLC background
SCLC is a rapidly progressive disease with low response rates and a high incidence of mortality. Approximately 15 percent of all lung cancers have been identified as SCLC, for which an estimated 30,000 new cases a year are reported in the United States. The average five-year survival for newly diagnosed SCLC is 6 percent. SCLC derives from neuroendocrine cells and is distinguished clinically from NSCLC by its rapid doubling time and early development of metastases. Most patients have metastatic disease at the time of their initial diagnoses. First line therapy for these patients typically involves combinations of immunotherapies and cytotoxic drugs such as carboplatin and etoposide, the latter of which have significant toxicities. While some patients initially respond to this treatment, approximately 90 percent experience disease progression within one year and die within two years. Recently, checkpoint inhibitors including atezolizumab and durvalumab have received approval in SCLC, but their efficacy is limited compared to that in other tumors such as NSCLC, with overall survival of SCLC patients treated with these agents in combination with chemotherapy being only 12 to 13 months.

t-SCNC background
Prostate cancer is one of the most common cancers in men with approximately 175,000 cases diagnosed in the United States each year. The introduction of highly potent androgen receptor–targeting therapies such as abiraterone and enzalutamide for the treatment of metastatic castration-resistant prostate cancer, or mCRPC, has provided significant clinical benefit. In a subset of patients, therapeutic resistance to androgen receptor targeting therapy is accompanied by the emergence of highly aggressive androgen receptor treatment-resistant neuroendocrine variants, referred to as t-SCNC, in 17 percent of patients who had disease progression while on treatment with abiraterone and/or enzalutamide. Patients with t-SCNC have shorter survival than other prostate cancer subtypes and there is no standard of care for t-SCNC.
Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary rights. We compete in the highly competitive markets that address cancer and face significant competition from many sources, including pharmaceutical, biopharmaceutical and biotechnology companies, as well as universities and private and public research institutions.

Any viral immunotherapies that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. We are focused on developing next-generation viral immunotherapies for the treatment of cancer.

We are aware of other companies either marketing or focused on developing competing therapies for the treatment of cancer which generally fall into the following treatment groups:

- oncolytic viral immunotherapies, including Amgen's T-VEC, the only FDA-approved oncolytic immunotherapy, which is approved for treating advanced melanoma and is in development for several other indications, and other oncolytic viruses in development by companies such as AstraZeneca, Boehringer Ingelheim, Johnson & Johnson, Merck, Regeneron, Vyrilad, Replimune and Turnstone Therapeutics;
- approved immunotherapy antibodies and immunotherapy agents in clinical development, including antibody agents, bispecific T cell engagers, including those in development by Amgen, and immuno-oncology companies focused on IL-12, such as Ziopharm Oncology;
- cancer vaccines, including personalized vaccines and those targeting tumor neoantigens, including neoantigen therapies in development by companies such as BioNTech, Gritstone Oncology and Moderna Therapeutics;
- cell-based therapies, including CAR T cell therapies, T cell receptor and NK cell therapies; and
- traditional cancer therapies, including chemotherapy, surgery, radiation and targeted therapies.

For ONCR-177, our lead HSV-1 viral immunotherapy product candidate, we are aware of several other companies developing therapies based on HSV-1. To our knowledge, only Replimune has advanced assets based on HSV-1 into clinical development in the United States. We designed ONCR-177 to carry greater numbers of immunostimulatory transgenes than viral immunotherapies that are either currently approved or in clinical development to maintain full viral replication competency in tumors and to be selectively attenuated in only normal tissues as opposed to both normal and tumor tissues.

For our Synthetic CVA21 program, which is based on coxsackievirus A21, we are aware that Merck is developing CAVATAK based on this oncolytic virus. For our Synthetic SVV program, which is based on the Seneca Valley Virus, we are aware that Seneca Therapeutics is developing therapies based on this oncolytic virus.

Many of our potential competitors, alone or with their strategic partners, may have substantially greater financial, technical and other resources than we do, such as larger research and development, clinical, marketing and manufacturing organizations. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of competitors. Our commercial opportunity could be reduced or eliminated if competitors develop and commercialize products that are safer, more effective, are easier to administer or are less expensive alone or in combination with other therapies than any products that we may develop alone or in combination with other therapies, especially if these get to market sooner than our products. These and other third parties also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business.

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. Our viral immunotherapy product candidates, if and when marketed, will compete with a number of therapies that are currently marketed or in development that also target cancer but that utilize different mechanisms of action. To compete effectively with these agents, our product candidates will need to demonstrate advantages that lead to improved clinical efficacy and safety compared with these competitive agents. While we
believe that our current and future product candidates have the potential to provide potent clinical antitumor activity as monotherapies, we also plan to test them in combination with immune checkpoint inhibitors and chemotherapy agents. As such, if and when ultimately marketed, our product candidates may be in combination with checkpoint therapies in addition to other existing cancer therapies, including surgery, chemotherapy, radiation therapy and other biological therapies such as antibodies targeting particular surface receptors. We, therefore, believe that our product candidates, if and when marketed, may in some instances complement rather than compete directly with these existing treatment options.

We expect to face direct and increasing competition from a number of companies that are also seeking to develop cancer therapies based on viral immunotherapies and other ways to stimulate the immune system. We believe that our ability to successfully compete will depend, among other things, on our ability to:

- expeditiously advance the development of our product candidates;
- design, enroll patients in and successfully complete appropriate clinical trials in a timely fashion;
- gain regulatory approval for our product candidates in their first indications as well as further indications;
- establish collaborations and partnerships for the development and marketing of our product candidates;
- commercialize our product candidates successfully, including convincing physicians, insurers and third-party payors of the safety and efficacy of our product candidates over currently approved therapies;
- secure and protect intellectual property rights based on our innovations; and
- manufacture or otherwise obtain and sell commercial quantities of future products to the market.

Manufacturing

We have assembled a seasoned management team with extensive experience in developing and manufacturing biological, viral and gene therapies. We have strong in-house process development capabilities for HSV and are currently leveraging external CMOs to implement our in-house developed processes to produce drug substance and drug product. We require that our CMOs produce drug substance and finished drug product in accordance with cGMPs and all other applicable laws and regulations. We maintain agreements with our manufacturers that include confidentiality and intellectual property provisions to protect our proprietary rights related to our product candidates. We do not have long-term supply arrangements in place with our CMOs.

We currently do not own or operate any manufacturing facilities. We have transferred our processes to commercial CMOs based in the United States for production, labeling, packaging and distribution of our initial batches of clinical material. Through the development of ONCR-177, we have focused on developing a full-scale manufacturing process intended to optimize production of clinical grade material. To this end, we have developed a closed, serum-free process that we expect will result in a high yield and lower overall cost of goods.

We continue to invest in our internal development capabilities to establish critical in-house manufacturing expertise to support our pipeline. We expect to continue to invest to build proprietary processes that will enable us to be at a competitive advantage when manufacturing product candidates for our oHSV and synthetic viral immunotherapy programs. In the near term, we intend to continue to rely on third party CMOs while establishing our own cGMP manufacturing facilities for the production of cGMP-grade material in order to secure our supply chain for pivotal studies and commercialization. In December 2020, we entered into a lease agreement for an approximately 88,000 square foot facility in an effort to support our advancing pipeline of product candidates. Initial site build out is anticipated to be completed by the end of 2021 and we expect the facility to be fully operational in 2023.

Intellectual Property

We strive to protect and enhance the proprietary technologies, inventions and improvements that we believe are important to our business, including seeking, maintaining and defending patent rights, whether developed internally or licensed from third parties. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain our proprietary position in our field and other fields that are or may be important for the development of our business. Our policy is to seek to protect our proprietary position by,
among other methods, pursuing and obtaining patent protection in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements, platforms and our product candidates that are important to the development and implementation of our business.

As of December 31, 2020, our patent portfolio consisted of 15 issued U.S. patents, 15 pending U.S. patent applications, and 12 issued foreign patents and approximately 105 pending foreign applications. These patents and patent applications include claims related to our platforms, products, methods, manufacturing processes, and potential future products and developments, with expected expiry dates not earlier than between 2023 and 2041.

**oHSV Platform**

As of December 31, 2020, our patent portfolio related to our oHSV Platform includes 14 owned or licensed patent families, which relate generally to the composition of our current and potential future products, and their methods of use.

We solely own six patent families, which include two issued U.S. patents, one allowed foreign application, five pending U.S. patent applications, and pending foreign counterparts in Europe, Asia, Canada, Australia, and Central and South America. One issued patent, which expires on January 27, 2037, includes claims directed at particular microRNA-attenuated HSV vectors, expression of certain therapeutic payloads, and their methods of use in the treatment of cancer. The other issued U.S. patent, which expires on June 30, 2037, includes claims directed at HSV vectors comprising particular combinations of certain therapeutic payloads. The pending applications include additional claims for microRNA-attenuated HSV vectors including the HSV vector utilized in our ONCR-177 product candidate, HSV vectors encoding particular therapeutic payloads, and their methods of use in the treatment of cancer. Patent applications are pending in these families in more than 17 jurisdictions worldwide, including Argentina, Australia, Brazil, Canada, China, Europe, Israel, India, Japan, Korea, Mexico, New Zealand, Russia, Singapore, Taiwan and South Africa. Any patents that may issue from these pending applications are expected to expire between 2037 and 2038, absent any patent term adjustments or extensions.

We have exclusively licensed from the University of Pittsburgh rights in three patent families related to oHSV Platform vectors, including certain glycoprotein modifications, a deletion of repeated HSV genes, certain microRNA-attenuated HSV vectors, and expression of certain therapeutic proteins from HSV vectors, and their methods of use. These patent families include six issued U.S. patents, seven issued patents in Australia, Europe, Israel, Japan, Russia and Singapore, three pending U.S. patent applications and 22 pending foreign applications pending in various jurisdictions worldwide, including Australia, Brazil, Canada, China, Europe, Israel, India, Japan, Korea, Mexico, New Zealand, Singapore and South Africa. Patents in these families are expected to expire between 2031 and 2037, absent any patent term adjustments or extensions. We have also exclusively licensed from Ospedale San Raffaele S.r.l. and Fondazione Telethon rights in one patent family related to microRNA attenuation of therapeutic payloads. This family includes six issued patents and seven pending applications in the U.S. and foreign jurisdictions. Patents in this family are expected to expire in 2026, absent any patent term adjustments or extensions. In addition, we have exclusively licensed from Northwestern University rights in one patent family related to mutations in the UL37 HSV gene. Patents in this family are expected to expire in 2036, absent any patent term adjustments or extensions. We have co-exclusively licensed from University of Chicago rights in two patent families related to HSV glycoprotein mutations. Patents in this family are expected to expire between 2023 and 2024, absent any patent term adjustments or extensions. Finally, we have also exclusively licensed from WuXi Biologics Ireland Limited rights in one patent family related to novel PD-1 antagonist sequences. This family includes six pending applications in the United States, China, Canada, Taiwan, Europe and Japan. Patents in this family are expected to expire in 2039, absent any patent term adjustments or extensions.

**Synthetic Platform**

As of December 31, 2020, our patent portfolio related to our Synthetic Platform includes five patent families, which relate generally to synthetic virus compositions and methods of use in the treatment of various cancers.

We solely own these five patent families. Two are pending provisional applications that will convert between February 2021 and November of 2021. One family currently has applications pending in the United States and in foreign jurisdictions including Australia, Brazil, Canada, China, Europe, Israel, India, Japan, Korea, Mexico, New Zealand, Singapore and South Africa. Two families have pending PCT applications that will enter national stages between May

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2021 and July 2021. These applications cover the compositions related to polynucleotides, expression of therapeutic payloads, nanoparticle formulations, bispecific payload molecules and methods related to their manufacturing and use. We intend to file national phase applications in multiple jurisdictions, including the United States, Europe, Asia, and Central and South America. Any patents that may issue from these pending applications are expected to expire between 2039 and 2041, absent any patent term adjustments or extensions.

Individual patents extend for varying periods depending on the date of filing of the patent application or the date of patent issuance and the legal term of patents in the countries in which they are obtained. Generally, patents issued for regularly filed applications in the United States are granted a term of 20 years from the earliest effective non-provisional filing date. In addition, in certain instances, a patent term can be extended to recapture a portion of the U.S. Patent and Trademark Office, or the USPTO, delay in issuing the patent as well as a portion of the term effectively lost as a result of the FDA regulatory review period. However, as to the FDA component, 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 duration of foreign patents varies in accordance with provisions of applicable local law, 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 coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

Furthermore, we rely upon trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality agreements with our collaborators, employees and consultants and invention assignment agreements with our employees. We also have confidentiality agreements or invention assignment agreements with selected consultants. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Our commercial success will also depend in part on not infringing upon the proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter our development or commercial strategies, or our product candidates or processes, obtain licenses, or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future product candidates may have an adverse impact on us. If third parties have prepared and filed patent applications prior to March 16, 2013 in the United States that also claim technology to which we have rights, we may have to participate in interference proceedings in the USPTO, to determine priority of invention. For more information, please see “Risk Factors—Risks Related to Intellectual Property.”

License, Royalty and Collaboration Agreements

University of Pittsburgh Agreement
In March 2016, we entered into a license agreement with the University of Pittsburgh, which was subsequently amended in June 2016, November 2016 and October 2019. Under the license agreement with University of Pittsburgh, or the University of Pittsburgh Agreement, we obtained an exclusive, worldwide license from University of Pittsburgh to three patent families in fields specified in the University of Pittsburgh Agreement including all of oncology. We have the right to grant sublicenses of the foregoing license subject to certain limitations. We are required to use commercially reasonable best efforts to meet certain development milestones regarding licensed products.

Under the terms of the University of Pittsburgh Agreement, we made an initial license payment of $0.1 million. Additionally, we are required to pay a five figure annual maintenance fee until net sales for the first licensed product are achieved and certain clinical and commercial milestone payments for the first product to achieve such milestones in an aggregate amount of $2.6 million. We are also obligated to pay a low single digit royalty on net sales of licensed products, subject to specified annual minimum royalties. The obligation to pay royalties under the
University of Pittsburgh Agreement expires on a licensed product-by-licensed product and country-by-country basis upon the expiry of the last valid claim of the licensed patents that cover such licensed product in such country. The royalty rate is subject to reduction in the event that it is necessary for us to obtain a license to any third party intellectual property related to the licensed patents. We are also obligated to pay a percentage of non-royalty-related payments received by us from sublicensees.

The University of Pittsburgh Agreement expires upon the last to expire valid claim of a licensed patent. University of Pittsburgh may terminate upon our uncured breach or insolvency. We may terminate the agreement upon specified prior written notice to University of Pittsburgh.

University of Pittsburgh Biomaterials Agreement
In September 2016, we entered into a separate license agreement with University of Pittsburgh. Under such license agreement with University of Pittsburgh, or the Biomaterials Agreement, we obtained an exclusive license under certain materials of University of Pittsburgh related to the oHSV Platform to make, have made, sell, have sold, use, import, export, modify and derivatize such materials for any and all purposes.

Under the terms of the Biomaterials Agreement, we made an initial low five figure license payment. Additionally, we are required to pay a five figure annual maintenance fee and a low six figure commercial milestone payment. We are also obligated to pay certain amounts in the event we grant a sublicense to a third party.

The Biomaterials Agreement expires in September 2046 and is renewable for successive thirty year terms upon written approval by University of Pittsburgh. University of Pittsburgh may terminate the agreement upon our uncured breach or insolvency. We may terminate the agreement upon specified prior written notice to University of Pittsburgh.

TIGET Agreement
In December 2015, we entered into a license agreement with Ospedale San Raffaele S.r.l., or OSR, and Fondazione Telethon, or FT, which was subsequently amended in July 2017, or the TIGET Agreement. Under the TIGET Agreement, we obtained an exclusive, worldwide license, with the right to sublicense, under certain patents of OSR and FT to research, develop, make, have made, use, sell, offer for sale and import licensed products for use in the prevention and treatment of human cancer using HSV. We also have an exclusive option to obtain an exclusive license to additional oncolytic viruses. We are required to use commercially reasonable efforts to develop and commercialize a licensed product for each licensed virus.

Under the terms of the TIGET Agreement, we made an initial license payment of $0.1 million. Additionally, we are required to pay a high five figure annual maintenance fee, and certain clinical and regulatory milestone payments for the first product to achieve such milestones on an indication-by-indication basis, which milestone payments are $3.9 million in the aggregate for the first indication and $5.7 million in the aggregate for each subsequent indication. We are also obligated to pay tiered royalties on net sales of licensed products ranging in the low-single digits. The royalty rates are subject to reduction in the event that it is necessary for us to obtain a license to any third party intellectual property related to the licensed products. The obligation to pay royalties under the TIGET Agreement expires on a licensed product-by-licensed product and country-by-country basis upon expiry of the last valid claim of the licensed patents that cover such licensed product in such country. We are also obligated to pay a percentage of non-royalty-related payments received by us from sublicensees ranging from a mid-single digit to low double digits.

The TIGET Agreement expires upon expiry of the last remaining royalty obligation for a licensed product. Under the TIGET Agreement, either party may terminate the agreement upon an uncured material breach or insolvency of the other party. We may terminate the agreement on a licensed virus by licensed virus basis upon specified prior written notice to OSR and FT. Additionally, OSR and FT may terminate the agreement on a licensed virus by licensed virus basis if we fail to demonstrate pre-clinical data in in vivo animal models for any such virus.

Washington Agreement
In July 2016, we entered into a license agreement with The Washington University, or Washington. Under the license agreement with Washington, or the Washington Agreement, we obtained a non-exclusive, worldwide license, with the right to sublicense, to certain tangible materials and property of Washington related to the oHSV Platform,
as well as an exclusive, worldwide license to replication competent modifications of such materials and property related to the oHSV Platform not made by Washington.

Under the terms of the Washington Agreement, we made an initial low five figure license payment. Additionally, we are required to pay a mid four figure annual maintenance fee. We are also obligated to pay a less than single digit royalty on net sales of licensed products.

The Washington Agreement expires on the 10th anniversary of the first commercial sale of a licensed product. Under the Washington Agreement, either party may terminate the agreement upon an uncured material breach of the other party. We may terminate the agreement upon prior written notice to Washington. Washington may terminate the agreement immediately in the event of our insolvency and certain other specified breaches of the agreement by us.

Northwestern Agreement

In December 2018, we entered into a license agreement with Northwestern University, or Northwestern, which was subsequently amended in September 2019. Under the license agreement with Northwestern, or the Northwestern Agreement, we obtained an exclusive, worldwide license under certain patents of Northwestern, Trustees of Tufts College and NUTech Ventures and a non-exclusive, worldwide license under certain know-how of Northwestern, Trustees of Tufts College and NUTech Ventures, in either case to make, have made, use, import, offer for sale and sell oncolytic viruses for use in the treatment or prevention of cancer in animals or humans, which use specifically excludes diagnostics, human and animal vaccine development and use, and veterinary use. We have the right to grant sublicenses of the foregoing license subject to certain limitations. We are required to use efforts to meet certain development milestones regarding licensed products.

Under the terms of the Northwestern Agreement, we made an initial license payment of approximately $0.1 million. Additionally, we are required to pay an annual maintenance fee ranging in the low five figures until a certain period after regulatory approval for the first licensed product is obtained and certain clinical and commercial milestone payments for the first product to achieve such milestones in an aggregate amount of $4.1 million. We are also obligated to pay a low single digit royalty on net sales of licensed products, subject to certain annual minimum royalties ranging in the low to mid five figures, but only to the extent a product is covered by a valid claim of a licensed patent at the time of first commercial sale. The obligation to pay royalties under the Northwestern Agreement expires on a licensed product-by-licensed product and country-by-country basis upon the later of expiry of the last valid claim of the licensed patents that cover such licensed product in such country and the 10th anniversary of the first commercial sale of such product in such country. The royalty rate is subject to reduction for lack of any valid claim covering such product in a country. We are also obligated to pay certain amounts in the event we grant a sublicense of commercial rights to a third party, which payments vary from a fixed amount in the upper five figures to a low double digit percentage of non-royalty related payments received by us.

The Northwestern Agreement expires on a licensed product-by-licensed product and country-by-country basis upon expiry of the applicable royalty obligation for such licensed product in such country. Under the Northwestern Agreement, either party may terminate the agreement upon an uncured material breach by the other party. We may terminate the agreement upon specified prior written notice to Northwestern. Northwestern may terminate the agreement in the event of our insolvency. Additionally, in the event of our failure to use efforts to meet certain diligence milestones, Northwestern may, after a specified cure period, elect to either terminate the agreement or render the license non-exclusive. If Northwestern elects to render our license non-exclusive, then all our payment obligations under the agreement will be reduced by a specified percentage.

WuXi Agreement

In July 2019, we entered into a license agreement with WuXi Biologics Ireland Limited, or WuXi. Under the license agreement with WuXi, or the WuXi Agreement, we obtained an exclusive, worldwide license, with the right to sublicense, under certain patents and technology of WuXi to research, develop, manufacture and commercialize licensed products for the treatment and prevention of human or animal diseases. We are required to use commercially reasonable efforts to develop and commercialize licensed products.

Under the terms of the WuXi Agreement, we made an initial license payment of $0.3 million. Additionally, we are required to pay certain clinical milestone payments for the first product developed in an aggregate amount of...
$8.0 million and certain commercial milestone payments for the first three products developed in an aggregate amount of $27.0 million per product. We are also obligated to pay tiered royalties on net sales of licensed products ranging in the low-single digits. The obligation to pay royalties under the WuXi Agreement expires on a licensed product-by-licensed product and country-by-country basis upon expiry of the last valid claim of the licensed patents that cover such licensed product in such country.

The WuXi Agreement expires on a licensed product-by-licensed product and country-by-country basis upon expiry of the last valid claim of the licensed patents that cover such licensed product in such country. Under the WuXi Agreement, either party may terminate the agreement upon an uncured material breach or insolvency of the other party. Additionally, we may terminate the agreement upon specified prior written notice to WuXi. WuXi may terminate the agreement for any challenge brought by us, our affiliates and our sublicensees of the validity, scope, enforceability or patentability of the licensed patents, unless we abandon such challenge, or in the case of our sublicensees, terminate the applicable sublicense.

**MPM/UBS Royalty Transfer Agreement**

In March 2016, in connection with the sale of Series A convertible preferred stock, we entered into a royalty transfer agreement with MPM Oncology Charitable Foundation, Inc. and UBS Optimus Foundation, or the Royalty Transfer Agreement. We have agreed to pay a royalty of 1%, in the aggregate, of net sales of our products. Our obligation to pay a royalty expires on a product-by-product and country-by-country basis upon the later of the 12th anniversary of the first commercial sale of such product in such country and expiration of the last valid claim in such country covering such product. The royalty rate is subject to a specified reduction for lack of any valid claim covering such product in a country. The obligation to pay royalties under the Royalty Transfer Agreement shall not apply to any product that would only infringe our intellectual property rights that are discovered or developed after this offering or to any product of an acquirer, assignee of the agreement or merger partner of the company so long as such product does not incorporate any of our pre-acquisition intellectual property.

**Clinical Trial Collaboration and Supply Agreement with MSD International GmbH**

In July 2020, we entered into a clinical trial collaboration and supply agreement, or the MSD Agreement, with MSD International GmbH, an affiliate of Merck & Co., Inc. (known as MSD outside the United States and Canada), to evaluate the safety and tolerability of ONCR-177 combined with Merck's cancer immunotherapy KEYTRUDA (pembrolizumab), a humanized anti-human PD-1 monoclonal antibody, in our Phase 1 clinical trial in patients with solid tumors. Under the MSD Agreement, we will conduct the trial at our own cost and MSD will contribute its compound for use in the clinical trial without financial obligation to us, except that we may be required to reimburse MSD for the cost of its compound upon certain early termination events. The parties will equally own the clinical data and inventions arising from the combination study, with the exception of inventions relating solely to each party's compound class. The MSD Agreement will expire upon the delivery of a written report on the results of the study, unless earlier terminated or agreed by the parties.

Each party has the right to terminate the MSD Agreement in the event of an uncured material breach by the other party. In addition, each party may terminate the agreement upon its own good faith determination that the study may unreasonably affect patient safety or that termination is required for medical, scientific, legal or regulatory reasons, or if an applicable regulatory authority takes any action that prevents the supply of its respective compound for use in the trial. In addition, MSD may terminate the agreement and its supply of KEYTRUDA if MSD believes in good faith that its compound is being used in an unsafe manner in the trial and we fail to promptly incorporate any requested changes into the trial protocol.

**Government Regulation**

In the United States, the FDA regulates biologic products under the Federal Food, Drug, and Cosmetic Act, or the FDCA, the Public Health Service Act, or the PHSA, and regulations and guidance implementing these laws. The FDCA, PHSA and their corresponding regulations govern, among other things, the testing, manufacturing, safety, efficacy, labeling, packaging, storage, record keeping, distribution, reporting, advertising and other promotional practices involving biologic products. Clearance from the FDA is required before conducting human clinical testing of biologic products. FDA licensure also must be obtained before marketing of biologic products. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.
U.S. Biologic Products Development Process

Any biologic product must be licensed by the FDA before it may be legally marketed in the United States. The process required by the FDA before a biologic product candidate may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and in vivo studies in accordance with the FDA's current Good Laboratory Practice, or GLP, regulations and applicable requirements for the humane use of laboratory animals or other applicable regulations;
- submission to the FDA of an application for an IND exemption, which allows human clinical trials to begin unless FDA objects within 30 days;
- approval by an independent institutional review board, or IRB, reviewing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials according to the FDA's GCP regulations, and any additional requirements for the protection of human research subjects and their health information, to establish the safety and efficacy of the proposed biologic product candidate for its intended use;
- preparation and submission to the FDA of a biologics license application, or BLA, for marketing approval that includes substantial evidence of safety, purity and potency from results of nonclinical testing and clinical trials;
- review of the product by an FDA advisory committee, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the biologic product candidate is produced to assess compliance with cGMP requirements and to assure that the facilities, methods and controls are adequate to preserve the biologic product candidate's identity, safety, strength, quality, potency and purity;
- potential FDA audit of the nonclinical and clinical trial sites that generated the data in support of the BLA; and
- payment of user fees and FDA review and approval, or licensure, of the BLA.

Before testing any biologic product candidate in humans the product candidate must undergo preclinical testing. Preclinical tests, also referred to as nonclinical studies, include laboratory evaluations of product chemistry, toxicity and formulation, as well as in vivo studies to assess the potential safety and activity of the product candidate and to establish a rationale for therapeutic use. The conduct of the preclinical tests must comply with federal regulations and requirements including GLPs.

Concurrent with clinical trials, companies usually must complete some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the drug in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final drug product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

The clinical trial sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND. Some preclinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA places the clinical trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. The FDA also may impose clinical holds on a biologic product candidate at any time before or during clinical trials due to safety concerns or non-compliance. If the FDA imposes a clinical hold, trials may not recommence without FDA authorization and then only under terms authorized by the FDA. Accordingly, we cannot be sure that submission of an IND will result in the FDA allowing clinical studies to begin, or that, once begun, issues will not arise that suspend or terminate such studies.
Human Clinical Trials Under an IND

Clinical trials involve the administration of the biologic product candidate to healthy volunteers or patients under the supervision of qualified investigators which generally are physicians not employed by, or under, the control of the trial sponsor. Clinical trials are conducted under written study protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters to be used to monitor subject safety, including stopping rules that assure a clinical trial will be stopped if certain adverse events should occur. Each protocol and any amendments to the protocol must be submitted to the FDA as part of the IND. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to a proposed clinical trial and places the trial on clinical hold, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Accordingly, submission of an IND may or may not result in the FDA allowing clinical trials to commence. Clinical trials must be conducted and monitored in accordance with the FDA's regulations comprising the GCP requirements, including the requirement that all research subjects provide informed consent.

Further, each clinical trial must be reviewed and approved by an IRB at or servicing each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and considers items such as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the form and content of the informed consent that must be signed by each clinical trial subject, or their legal representative, reviews and approves the study protocol, and must monitor the clinical trial until completed.

Human clinical trials typically are conducted in three sequential phases that may overlap or be combined:

- **Phase 1.** The biologic product candidate initially is introduced into a small number of healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early understanding of its effectiveness. In the case of some product candidates for severe or life-threatening diseases, especially when the product candidate may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.

- **Phase 2.** The biologic product candidate is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product candidate for specific targeted diseases and to determine dosage tolerance, optimal dosage and dosing schedule.

- **Phase 3.** Phase 3 clinical trials are commonly referred to as “pivotal” studies, which typically denotes a study which presents the data that the FDA or other relevant regulatory agency will use to determine whether or not to approve a biologic product. In Phase 3 studies, the biologic product candidate is administered to an expanded patient population, generally at multiple geographically dispersed clinical trial sites in adequate and well-controlled clinical trials to generate sufficient data to statistically confirm the potency and safety of the product for approval. These clinical trials are intended to establish the overall risk/benefit ratio of the product candidate and provide an adequate basis for product labeling.

Post-approval clinical trials, sometimes referred to as Phase 4 clinical trials, may be conducted after initial approval. These clinical trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication, particularly for long-term safety follow-up.

During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data and clinical trial investigators. Annual progress reports detailing the results of the clinical trials must be submitted to the FDA.

Written IND safety reports must be promptly submitted to the FDA and the investigators for: serious and unexpected adverse events; any findings from other trials, in vivo laboratory tests or in vitro testing that suggest a significant risk for human subjects; or any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must submit an IND safety report within 15 calendar days after the sponsor determines that the information qualifies for reporting. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction within seven calendar days after the sponsor’s initial receipt of the information.
The FDA or the sponsor or its data safety monitoring board may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or 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 biologic product candidate has been associated with unexpected serious harm to patients.

**Compliance with cGMP Requirements**

Manufacturers of biologics must comply with applicable cGMP regulations, including quality control and quality assurance and maintenance of records and documentation. Manufacturers and others involved in the manufacture and distribution of such products also must register their establishments with the FDA and certain state agencies. Both domestic and foreign manufacturing establishments must register and provide additional information to the FDA upon their initial participation in the manufacturing process. Establishments may be subject to periodic, unannounced inspections by government authorities to ensure compliance with cGMP requirements and other laws. Discovery of problems may result in a government entity placing restrictions on a product, manufacturer or holder of an approved BLA, and may extend to requiring withdrawal of the product from the market. The FDA will not approve a BLA 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 specification.

Concurrent with clinical trials, companies usually complete additional preclinical studies and must also develop additional information about the physical characteristics of the biologic product candidate as well as finalize a process for manufacturing the product candidate in commercial quantities in accordance with cGMP requirements. To help reduce the risk of the introduction of adventitious agents or of causing other adverse events with the use of biologic products, the PHSA emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other requirements, the sponsor must develop methods for testing the identity, strength, quality, potency and purity of the final biologic product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the biologic product candidate does not undergo unacceptable deterioration over its shelf life.

**U.S. Review and Approval Processes**

The results of the preclinical tests and clinical trials, together with detailed information relating to the product’s CMC and proposed labeling, among other things, are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications.

Under the Prescription Drug User Fee Act, or PDUFA, as amended, each BLA must be accompanied by a significant user fee. The FDA adjusts the PDUFA user fees on an annual basis. The PDUFA also imposes an annual product fee for biologics and an annual establishment license fee on facilities used to manufacture prescription biologics. 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 product candidates designated as orphan drugs, unless the product candidate also includes a non-orphan indication.

The FDA reviews a BLA within 60 days of submission to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In that event, the BLA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth, substantive review of the BLA.

The FDA reviews the BLA to determine, among other things, whether the proposed product candidate is safe and potent, or effective, for its intended use, has an acceptable purity profile and whether the product candidate is being manufactured in accordance with cGMP to assure and preserve the product candidate’s identity, safety, strength, quality, potency and purity. The FDA may refer applications for novel biologic products or biologic 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. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions. During the product approval process, the FDA
also will determine whether a risk evaluation and mitigation strategy, or REMS, is necessary to assure the safe use of the product candidate. REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential adverse events, and whether the product is a new molecular entity. A REMS could include medication guides, physician communication plans and elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS; the FDA will not approve the BLA without a REMS, if required.

Before approving a BLA, the FDA will inspect the facilities at which the product candidate is manufactured. The FDA will not approve the product candidate unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product candidate within required specifications. Additionally, before approving a BLA, the FDA typically will inspect one or more clinical sites to assure that the clinical trials were conducted in compliance with IND trial requirements and GCP requirements.

On the basis of the BLA and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the biologic product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter.

If a product candidate receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing or dispensing in the form of a REMS, or otherwise limit the scope of any approval. In addition, the FDA may require post-marketing clinical trials, sometimes referred to as Phase 4 clinical trials, designed to further assess a biologic product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized.

The FDA has agreed to specified performance goals in the review of BLAs under the PDUFA. One such goal is to review standard BLAs in ten months after the FDA accepts the BLA for filing, and priority BLAs in six months, whereupon a review decision is to be made. The FDA does not always meet its PDUFA goal dates for standard and priority BLAs and its review goals are subject to change from time to time. The review process and the PDUFA goal date may be extended by three months if the FDA requests or the BLA sponsor otherwise provides additional information or clarification regarding information already provided in the submission within the last three months before the PDUFA goal date.

Post-approval Requirements
Rigorous and extensive FDA regulation of biologic products continues after approval, particularly with respect to cGMP requirements. Manufacturers are required to comply with applicable requirements in the cGMP regulations, including quality control and quality assurance and maintenance of records and documentation. Other post-approval requirements applicable to biologic products include reporting of cGMP deviations that may affect the identity, potency, purity and overall safety of a distributed product, record-keeping requirements, reporting of adverse effects, reporting updated safety and efficacy information and complying with electronic record and signature requirements. After a BLA is approved, the product also may be subject to official lot release. 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 tests performed on the lot. The FDA also may perform certain confirmatory tests on lots of some products before releasing the lots for distribution. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency and effectiveness of biologic products.

A sponsor also must comply with the FDA's advertising and promotion requirements, such as the prohibition on promoting products for uses or in patient populations that are not described in the product's approved labeling.
(known as “off-label use”). The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability. Violations relating to the promotion of off-label uses may lead to investigations alleging violations of federal and state healthcare fraud and abuse and other laws, as well as state consumer protection laws. Companies, however, may generally share truthful and not misleading information that is otherwise consistent with a product’s FDA approved labeling. Discovery of previously unknown problems or the failure to comply with the applicable regulatory requirements may result in restrictions on the marketing of a product or withdrawal of the product from the market as well as possible civil or criminal sanctions. In addition, changes to the manufacturing process or facility generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant or manufacturer to administrative or judicial civil or criminal actions and adverse publicity. These actions could include refusal to approve pending applications or supplemental applications, withdrawal of an approval, clinical hold, suspension or termination of a clinical trial by an IRB, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines or other monetary penalties, refusals of government contracts, mandated corrective advertising or communications with healthcare providers, debarment, restitution, disgorgement of profits or other civil or criminal penalties.

U.S. Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of product candidates, some of a sponsor’s U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product’s approval date. The patent term restoration period generally is 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. Only one patent applicable to an approved biologic product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. Moreover, a given patent may only be extended once based on a single product. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration.

Other Healthcare Laws and Regulations

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and use of pharmaceutical products that are granted marketing approval. Arrangements with third-party payors, existing or potential customers and referral sources, including healthcare providers, are subject to broadly applicable fraud and abuse, and these laws and regulations may constrain the business or financial arrangements and relationships through which manufacturers conduct clinical research, market, sell and distribute the products for which they obtain marketing approval. Such restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or kind, in exchange for, or to induce, either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers, on the one hand, and prescribers, purchasers, formulary managers and other individuals and entities on the other. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the ACA, amended the intent requirement of the federal Anti-Kickback Statute such that a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to commit a violation;
- the federal civil and criminal false claims and civil monetary penalties laws, including the civil False Claims Act, or the FCA, which prohibit, among other things, individuals or entities from knowingly presenting, or
causing to be presented, claims for payment from Medicare, Medicaid or other third-party payors that are false or fraudulent, or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government. Certain marketing practices, including off-label promotion, also may implicate the FCA. In addition, the ACA codified case law that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA.

- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children’s Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or the CMS, information related to payments and other transfers of value made to physicians, certain other healthcare providers and teaching hospitals, and ownership and investment interests held by physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and their immediate family members which will be expanded beginning in 2022, to require applicable manufacturers to report such information regarding transfers of value made to physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives during the previous year;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability, among other things, for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the transmission, security and privacy of protected health information by entities subject to HIPAA, such as health plans, health care clearinghouses and certain healthcare providers, and their respective business associates and their covered subcontractors that access protected health information; and

- state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers and drug pricing and/or marketing expenditures; and state and local laws requiring the registration of pharmaceutical sales representatives and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Violation of the laws described above or any other governmental laws and regulations may result in significant penalties, including administrative, civil and criminal penalties, damages, fines, the curtailment or restructuring of operations, the exclusion from participation in federal and state healthcare programs, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, imprisonment, and additional reporting requirements and oversight if a person becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws. Furthermore, efforts to ensure that business activities and business arrangements comply with applicable healthcare laws and regulations can be costly for manufacturers of branded prescription products.

Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the United States, sales of any product candidates for which regulatory approval for commercial sale is obtained will depend in part on the availability of coverage and adequate reimbursement from third-party payors. Third-party payors include government authorities and health programs in the United States such as Medicare and Medicaid, managed care providers, private health insurers and other organizations. These third-party payors are increasingly reducing reimbursements for medical products and services. The process for determining whether a payor will provide coverage for a drug product may be separate from the process for setting

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the reimbursement rate that the payor will pay for the drug product. Third-party payors may limit coverage to specific drug products on an approved list, or formulary, which might not include all of FDA-approved drugs for a particular indication. Additionally, the containment of healthcare costs has become a priority of federal and state governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results.

A payor’s decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Further, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. New metrics frequently are used as the basis for reimbursement rates, such as average sales price, average manufacturer price and actual acquisition cost. In order to obtain coverage and reimbursement for any product that might be approved for sale, it may be necessary to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the products, in addition to the costs required to obtain regulatory approvals. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit.

The marketability of any product candidates for which we or our collaborators receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we or our collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies. European Union member states may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other member states allow companies to fix their own prices for products, but monitor and control company profits. The downward pressure on health care costs has become intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert competitive pressure that may reduce pricing within a country. Any country that has price controls or reimbursement limitations may not allow favorable reimbursement and pricing arrangements.

Health Reform
The United States and some foreign jurisdictions are considering or have enacted a number of reform proposals to change the healthcare system. There is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by federal and state legislative initiatives, including those designed to limit the pricing, coverage, and reimbursement of pharmaceutical and biopharmaceutical products, especially under government-funded health care programs, and increased governmental control of drug pricing.

By way of example, in March 2010, the ACA was signed into law, intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add transparency
requirements for the healthcare and health insurance industries, impose taxes and fees on the healthcare industry and impose additional health policy reforms. Among the provisions of the ACA of importance to our business are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- extension of a manufacturer’s Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer’s Medicaid rebate liability;
- a new Medicare Part D coverage gap discount program, in which manufacturers must now agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for a manufacturer’s outpatient drugs to be covered under Medicare Part D;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Since its enactment, there have been executive, judicial and Congressional challenges to certain aspects of the ACA. As a result, there have been delays in the implementation of, and action taken to repeal or replace, certain aspects of the ACA. Since January 2017, President Trump has signed several Executive Orders and other directives designed to delay the implementation of certain provisions of the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the ACA such as removing penalties, effective January 1, 2019, for not complying with the ACA’s individual mandate to carry health insurance and delaying the implementation of certain ACA-mandated fees. In addition, on December 14, 2018, a Texas U.S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the “individual mandate” was repealed by Congress as part of the Tax Cuts and Jobs Act of 2017. 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 ACA are invalid as well. On March 2, 2020, the United States Supreme Court heard oral argument in this case on November 10, 2020, and is expected to issue a decision sometime this year. It is unclear when the United States Supreme Court will rule on this case or how such litigation and other efforts to repeal and replace the ACA will impact the ACA and our business. Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, in August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2012 through 2021, was unable to reach required goals, thereby triggering the legislation’s automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 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 March 31, 2021 due to the COVID-19 pandemic, unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to certain providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.
There also has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent congressional inquiries and proposed and enacted federal and state 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 products. At the federal level, the Trump 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 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 has solicited feedback on some of these measures and has implemented others under its existing authority.

For example, on July 24, 2020 and September 13, 2020, the Trump administration announced several executive orders related to prescription drug pricing that seek to implement several of the administration's proposals. As a result, the FDA released a final rule on September 24, 2020, effective November 30, 2020, providing guidance for states to build and submit importation plans for drugs from Canada. Further, on November 20, 2020, HHS finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. On November 20, 2020, CMS issued an interim final rule implementing President Trump’s Most Favored Nation executive order, which would tie Medicare Part B payments for certain physician-administered drugs to the lowest price paid in other economically advanced countries, effective January 1, 2021. On December 28, 2020, the United States District Court in Northern California issued a nationwide preliminary injunction against implementation of the interim final rule. It is unclear whether the Biden administration will work to reverse these measures or pursue similar policy initiatives. At the state level, individual states in the United States have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We expect that these initiatives, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved product. It is also possible that additional governmental action is taken to address the COVID-19 pandemic. Any reduction in reimbursement from Medicare or other government-funded 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 product candidates.

Additional Regulation
In addition to the foregoing, state and federal laws regarding environmental protection and hazardous substances, including the Occupational Safety and Health Act, the Resource Conservation and Recovery Act and the Toxic Substances Control Act, affect our business. These and other laws govern the use, handling and disposal of various biologic, chemical and radioactive substances used in, and wastes generated by, operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. Equivalent laws have been adopted in other countries that impose similar obligations.

U.S. Foreign Corrupt Practices Act
The U.S. Foreign Corrupt Practices Act, or FCPA, prohibits U.S. corporations and individuals from engaging in certain activities to obtain or retain business abroad or to influence a person working in an official capacity. It is
illegal to pay, offer to pay or authorize the payment of anything of value to any foreign government official, government staff member, official or employee of a public international organization, or a political party or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The scope of the FCPA includes interactions with healthcare professionals of foreign state-owned or affiliated hospitals, universities, or research institutions. Equivalent laws have been adopted in other foreign countries that impose similar obligations.

Employees
As of December 31, 2020, we had 56 full-time employees, including 19 who hold Ph.D. or M.D. degrees. Of these 56 employees, 43 employees were engaged in research and development. None of our employees is subject to a collective bargaining agreement or represented by a trade or labor union. We consider our relationship with our employees to be good.

Facilities
Our principal office is located in Cambridge, Massachusetts, where we lease office space. We lease approximately 17,800 square feet of office and laboratory space under a lease that terminates in January 2024. In December 2020, we entered into a 15 year lease agreement for approximately 88,000 square feet of manufacturing and office space in an effort to support our advancing pipeline of product candidates. Initial site build out is anticipated to be completed by the end of 2021 and we expect the facility to be fully operational in 2023.

We believe that suitable additional or substitute space will be available as needed to accommodate any future expansion of our operations.

Legal Proceedings
From time to time, we may be involved in various other claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any material legal proceedings.
MANAGEMENT

Executive Officers and Directors

The following table sets forth information concerning our executive officers and directors, including their ages as of December 31, 2020.

<table>
<thead>
<tr>
<th>NAME</th>
<th>AGE</th>
<th>POSITION(S)</th>
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<tbody>
<tr>
<td>Theodore (Ted) Ashburn, M.D., Ph.D.</td>
<td>53</td>
<td>President, Chief Executive Officer and Director</td>
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<tr>
<td>John M. Goldberg, M.D.</td>
<td>47</td>
<td>Senior Vice President, Clinical Development</td>
</tr>
<tr>
<td>Steve Harbin</td>
<td>62</td>
<td>Chief Operating Officer and Chief of Staff</td>
</tr>
<tr>
<td>John McCabe</td>
<td>51</td>
<td>Chief Financial Officer, Treasurer and Secretary</td>
</tr>
<tr>
<td>Christophe Quéva, Ph.D.</td>
<td>53</td>
<td>Chief Scientific Officer and Senior Vice President, Research</td>
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Directors

<table>
<thead>
<tr>
<th>NAME</th>
<th>AGE</th>
<th>POSITION(S)</th>
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<tbody>
<tr>
<td>Mitchell Finer, Ph.D.</td>
<td>62</td>
<td>Executive Chairman</td>
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<tr>
<td>Scott Canute(3)</td>
<td>60</td>
<td>Director</td>
</tr>
<tr>
<td>Luke Evin, Ph.D.(1)(2)(3)</td>
<td>57</td>
<td>Director</td>
</tr>
<tr>
<td>Mary Kay Fenton(1)</td>
<td>56</td>
<td>Director</td>
</tr>
<tr>
<td>Robert Kirkman, M.D.(3)</td>
<td>72</td>
<td>Director</td>
</tr>
<tr>
<td>Briggs Morrison, M.D.(2)</td>
<td>62</td>
<td>Director</td>
</tr>
<tr>
<td>Spencer Nam(1)</td>
<td>51</td>
<td>Director</td>
</tr>
<tr>
<td>Cameron Wheeler, Ph.D.(2)(3)</td>
<td>42</td>
<td>Director</td>
</tr>
</tbody>
</table>

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

Executive Officers

Theodore (Ted) Ashburn, M.D., Ph.D. has served as our President and Chief Executive Officer and as a member of our board of directors since October 2018. Prior to joining us, he served as Head of Oncology Development at Moderna, Inc. from September 2017 until July 2018, where he was responsible for overall design, integration and execution of its clinical-stage oncology programs. From February 2016 until July 2017, Dr. Ashburn served as the Head of Operations of Caperna, a Moderna venture focused on personalized cancer vaccines. From December 2014 until February 2016, he served as Senior Vice President, Product Strategy and Operations at Dicerna Pharmaceuticals, Inc. From December 2006 to December 2014, Dr. Ashburn held various positions of increasing responsibility at Genzyme/Sanofi Oncology, including holding the position of global product leader for Leukine® and Elitek® in addition to various business development roles of increasing seniority. Dr. Ashburn has an M.D. from Harvard Medical School, a Ph.D. in organic chemistry from Massachusetts Institute of Technology and a B.S. in chemistry and computer science from Ball State University. We believe Dr. Ashburn provides invaluable insight and guidance to our board of directors and our company due to his extensive technical skills and executive-level leadership experience in the field of oncological biotherapeutics, as well as his operating and historical experience gained from serving as our President and Chief Executive Officer.

John M. Goldberg, M.D. has served as our Senior Vice President, Clinical Development since October 2018. Prior to joining us, he served as the Senior Medical Director at H3 Biomedicine Inc., a publicly traded biotechnology company, from September 2016 until October 2018, Medical Director at Ageneris, Inc., a publicly traded biotechnology company, from July 2015 until November 2016, and as the Director of Pediatric Oncology Early Phase Clinical Trials, including leading the pediatric oncology Phase I program, at the University of Miami, Miller School of Medicine from 2008 until July 2015. Dr. Goldberg has extensive experience in the design, oversight and conduct of first-in-human clinical oncology trials of neo-antigen vaccines, dendritic cell vaccines and GVAX® (a cell-based granulocyte macrophage-colony stimulating factor gene-transduced tumor vaccine), as well as the design, oversight and conduct of clinical trials of checkpoint inhibitors and costimulatory agonists. He is a practicing...
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pediatric oncologist with 14 years of experience treating children with cancer and enrolling patients to phase 1 trials. Dr. Goldberg served as a fellow and a junior faculty member at the Dana-Farber Cancer Institute from 2002 until 2008 and as a Pediatric Resident at the University of Rochester from 1999 until 2002. Dr. Goldberg holds a M.D. from the University of Massachusetts Medical School and an A.B. in biological sciences from the College at the University of Chicago.

Steve Harbin has served as our Chief Operating Officer and Chief of Staff since December 2020. He also served as president of Albourne Consulting LLC, a consultancy firm he owns that provides strategic counsel to early-stage biotech companies, from April 2019 until December 2020. In this capacity, Mr. Harbin provided consulting services to us from July 2019 until his appointment as our Chief Operating Officer and Chief of Staff in connection with our strategic manufacturing and operational objectives. Previously, Mr. Harbin served as the Chief Sustainability Officer and Senior Vice President of Corporate Facilities & Norwood Manufacturing at Moderna, Inc., or Moderna, a U.S.-based biotechnology company, from August 2017 to April 2019. Prior to that, he served as the Senior Vice President of Global Operations, Quality & Corporate Facilities at Moderna from October 2016 to August 2017, and as Senior Vice President, Human Resources, Global Operations, Quality & Corporate Facilities at Moderna from July 2013 to October 2016. Mr. Harbin also previously held the position of Senior Vice President, Global Operations at bioMérieux SA, a multinational biotechnology company, and served in a variety of senior business and operational leadership roles for both publicly and privately held biotechnology companies. Mr. Harbin holds a diploma in Agriculture and a diploma in Farm Management from Durham College of Agriculture and Horticulture in the United Kingdom.

John McCabe has served as our Chief Financial Officer since July 2019. Prior to joining us, he held various positions of increasing responsibility at Flex Pharma, Inc., a clinical-stage biotechnology company, from 2014 to July 2019, including most recently serving as its Chief Financial Officer. From 2013 to 2014, Mr. McCabe served as the Vice President and Chief Accounting Officer of ARIAD Pharmaceuticals, Inc., a publicly traded global oncology company. From 2009 until 2013, he served as the Vice President and Corporate Controller of CRA International, Inc. (Charles River Associates), and from 2007 until 2009, he was Director, Strategic Business Unit Controller at Biogen Idec Inc. Mr. McCabe holds an M.B.A. from the University of Massachusetts at Amherst and a B.S. in accounting and a B.S. in management information systems from Babson College. He is a Certified Public Accountant (inactive).

Christophe Quéva, Ph.D. has served as our Chief Scientific Officer and Senior Vice President, Research since October 2017. Prior to joining us, from August 2015 until September 2017, he was the Chief Scientific Officer at iTeos Therapeutics SA, a biopharmaceutical company headquartered in Belgium focused on the development of innovative immuno-oncology therapies. From 2012 until July 2015, Dr. Quéva was the Director of Biology, Translational Medicine and, previously, the Director of Biology, Oncology and Inflammation, at Gilead Sciences, Inc., a biopharmaceutical company. In 2012, he served as a private consultant in the biotechnology industry. From 2006 until 2011, Dr. Quéva served as Director of Research, Hematology Oncology Therapeutic Area at Amgen Inc., a multinational biopharmaceutical company. Dr. Quéva served as a post-doctoral fellow at Fred Hutchinson Cancer Research Center in Seattle, Washington, after receiving his Ph.D. in Life and Health Sciences from the University of Lille, France.

Directors

Mitchell Finer, Ph.D. a co-founder of our company, has served as the Executive Chairman of our board of directors since July 2018, after serving as a member of our board of directors since our inception in January 2016. From January 2016 until June 2018, he served as our chief executive officer and our chief scientific officer. Dr. Finer has served as an Executive Partner of MPM Capital, Inc., since August 2015, and currently serves as the Chief Scientific Officer of ElevateBio LLC a position he has held since May 2019, President of ElevateBio BaseCamp, Inc., a position he has held since May 2019, and Chief Executive Officer of LifeEDIT Technologies Incorporated, a position he has held since November 2020. Prior to joining MPM Capital, he was the Chief Scientific Officer of bluebird bio, Inc. from 2010 until June 2015. Dr. Finer co-founded Adverum Biotechnologies, Inc. and CODA Biotherapeutics, Inc., where he was also the interim Chief Executive Officer from April 2017 to July 2018. He also serves on the board of directors of the following privately-held biotechnology companies: ElevateBio, LLC, CODA Biotherapeutics, Inc. and LifeEDIT Technologies Incorporated. Dr. Finer received a Ph.D. in biochemistry and molecular biology from Harvard University and a B.A. in biochemistry and bacteriology from the University of California, Berkeley. He completed a postdoctoral fellowship at the Whitehead Institute for Biomedical Research. We believe Dr. Finer is

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Scott Canute has served on our board of directors since December 2020. Previously, he served as the President of Global Manufacturing and Corporate Operations at Genzyme Corporation from 2010 to 2011, and before that, in various positions with Eli Lilly and Company over the span of 25 years, including as President, Global Manufacturing Operations from 2004 to 2007. Mr. Canute has served as a director of Flexion Therapeutics, Inc., a publicly traded biopharmaceutical company, since March 2015. Mr. Canute joined the board of directors of Immunomedics, Inc., a publicly traded biopharmaceutical company, in March 2017, serving in that capacity until its acquisition by Gilead Sciences in October 2020, during which time he served as that company's Executive Director from March 2019 until April 2020. Within the past five years, Mr. Canute also served as a member of the boards of directors of the publicly traded biopharmaceuticals companies Akebia Therapeutics, Inc., Proteon Therapeutics, Inc. (prior to its merger with ArTara Therapeutics, Inc.) and Outlook Therapeutics, Inc. (previously Oncobiologics, Inc.). Mr. Canute also previously served as a member of the board of directors of AlloCure, Inc. and Inspiration Biopharmaceuticals, Inc. In addition, Mr. Canute previously served on the board of directors of the National Association of Manufacturers and the Indiana Manufacturers Association. He holds a Master of Business Administration from Harvard Business School and a Bachelor of Science in Chemical Engineering from the University of Michigan. We believe that Mr. Canute's manufacturing and operational experience in the biopharmaceutical industry and his experience of serving on the board of directors for a variety biopharmaceuticals companies qualifies Mr. Canute to serve on our board of directors.

Luke Evnin, Ph.D. has served on our board of directors since March 2016. He co-founded MPM Capital, an early-stage life sciences venture investing firm, in 1997, where he currently serves as Managing Director. Prior to co-founding MPM Capital, Dr. Evnin spent seven years as a venture capitalist at Accel Partners, a venture capital firm, including four years as general partner, where he focused on investments in emerging healthcare companies. In 2015 Dr. Evnin co-founded Harpoon Therapeutics Inc., a publicly held immunotherapy company, and until July 2020 served as chairman of its board of directors. From October 2017 to June 2019, Dr. Evnin served as the interim Chief Executive Officer of Werewolf Therapeutics, Inc., a privately held biotechnology company, where he continues to serves as chairman of its board of directors. Dr. Evnin has also served on the board of directors of many public and private companies over his 28-year venture capital career, including serving as a director of Syndax Pharmaceuticals, Inc., EnteroMedics Inc. (now known as ReShape Lifesciences Inc.), Epix Medical, Inc., Intercell AG, Metabasis Therapeutics, Inc. (acquired by Ligand Pharmaceuticals, Inc.), Oscient Pharmaceuticals Corp., Pacira Pharmaceuticals Inc., Restore Medical, Inc. (acquired by Medtronic, Inc.), Sonic Innovations, Inc. and Signal Pharmaceuticals, Inc. (acquired by Celgene Corporation). He currently serves, on behalf of MPM Capital, as a director for nine private companies in addition to his role as member of our board of directors. Dr. Evnin also serves as chairman of the board of directors of the Scleroderma Research Foundation, a not-for-profit entity, as an external advisor for the Lewis-Sigler Institute for Quantitative Genomics at Princeton University, as a director for California Institute for Quantitative Biosciences (QB3), a non-profit research and technology commercialization institute affiliated with the University of California, San Francisco, University of California, Berkeley, and University of California, Santa Cruz and Mission Bay Capital Management Inc., a biotechnology early-stage venture capital firm. Dr. Evnin holds an A.B. in molecular biology from Princeton University and a Ph.D. in biochemistry from the University of California, San Francisco. We believe that Dr. Evnin’s depth and expertise in the life sciences and venture capital industries including significant experience serving on boards of directors and his educational background provide him with the qualifications and skills to serve on our board of directors.

Mary Kay Fenton has served as a member of our board of directors since December 2019. Since 2020, she has served as the Vice President of Strategic Operations, Vertex Cell & Genetic Therapies of Vertex Pharmaceuticals, Inc. Ms. Fenton joined Vertex upon completion of the acquisition of Semma Therapeutics, Inc. by Vertex in October 2019. From May 2019 until October 2019, Ms. Fenton served as the Chief Financial Officer and Chief Operating Officer of Semma. From 2006 until December 2019, Ms. Fenton served as Executive Vice President and Chief Financial Officer of Achillion Pharmaceuticals, Inc. and from October 2000 until January 2006, Ms. Fenton held the position of Executive Vice President at Achillion. Prior to joining Achillion, Ms. Fenton held various positions within the Technology Industry Group at PricewaterhouseCoopers LLP, from August 1991 until October 2000, including as
Senior Manager responsible for the life sciences practice in Connecticut. Ms. Fenton holds an M.B.A. in finance from the Graduate School of Business at the University of Connecticut and an A.B. in economics from the College of the Holy Cross. We believe that Ms. Fenton’s extensive executive leadership experience and her background in finance and operations provide her with the qualifications and skills to serve on our board of directors.

Robert Kirkman, M.D. has served as a member of our board of directors since August 2019. He served as Executive Chairman of Trillium Therapeutics, Inc., a publicly traded biotechnology company headquartered in Canada, from April 2019 until March 2020. Prior to that appointment, Dr. Kirkman served as the President and Chief Executive Officer of Cascadian Therapeutics, Inc. (formerly known as Oncothyreon Inc.), a biotechnology company, from 2006 until 2016. Dr. Kirkman holds an M.D. from Harvard Medical School and a B.A. in economics from Yale University. We believe that Dr. Kirkman is qualified to serve on our board of directors because of his extensive prior experience in executive positions at and as a member of the boards of directors of numerous development-stage biotechnology companies.

Briggs Morrison, M.D. has served as a member of our board of directors since March 2016. He has served as Executive Partner at MPM Capital, Inc. since June 2015 and as Chief Executive Officer and a member of the board of directors of Syndax Pharmaceuticals, Inc., a publicly traded biopharmaceutical company, since June 2015. Dr. Morrison has also served as a member of the board of directors of NextCure Inc. since April 2019, Arvinas Holding Company, LLC since June 2018, Repare Therapeutics Inc. since June 2017, and Codiaik BioSciences, Inc. since February 2018, all of which are publicly traded biopharmaceutical companies. Previously, he also served as a member of Arvinas Holding Company, LLC’s Scientific Advisory Board from August 2016 to June 2018. Before that, Dr. Morrison was the Chief Medical Officer and Head of Global Medicines Development at AstraZeneca plc from 2012 to 2015. Before joining AstraZeneca, he held several positions at Pfizer Inc., including Head, Medical Affairs, Safety and Regulatory Affairs for Pfizer’s human health business. Dr. Morrison also previously held several positions at Merck Research Laboratories, a division of Merck & Co., Inc., including Vice President, Clinical Sciences, Oncology. He was a member of the executive committee of the Clinical Trials Transformation Initiative sponsored by the FDA and is on the board of the Alliance for Clinical Research Excellence and Safety. Dr. Morrison also serves on the board of directors for multiple private pharmaceutical companies. Dr. Morrison has a B.S. in biology from Georgetown University and an M.D. from the University of Connecticut Medical School. He completed residency training in internal medicine at Massachusetts General Hospital and a fellowship in medical oncology at the Dana-Farber Cancer Institute. We believe Dr. Morrison is qualified to serve as a member of our board of directors due to his extensive executive leadership experience, his medical background and training and his service on the boards of other public and private biopharmaceutical and biotechnology companies.

Spencer Nam has served as a member of our board of directors since August 2019. Since January 2019, he has served as a Managing Partner at Kensigton-SV Global Innovations LP, a healthcare venture capital fund. Mr. Nam was instrumental in the formation of Kensigton-SV Global in 2018 and Mr. Nam has served as a managing director of SV Investment Corp., a Korean healthcare investment firm, since February 2017. Prior to joining SV Investment Corp., Mr. Nam was a senior research fellow at the Clayton Christensen Institute for Disruptive Innovation from 2014 through 2017 where he researched disruptive innovation models in the healthcare industry. Previously, he worked as a licensed securities analyst for several Wall Street investment banks where he had research coverage on publicly traded companies in medical devices, diagnostics and life science tools. Prior to his tenure as a securities analyst, Mr. Nam was an associate at TDI Capital, a venture capital firm, where he conducted investment analysis on companies in the life sciences and technology sectors. Prior to TDI Capital, he was a management consultant at Bain & Company. Mr. Nam holds an M.B.A. from Harvard Business School and a B.A. in Mathematics from Harvard College. We believe Mr. Nam is qualified to serve on our board of directors due to his experience in the healthcare venture capital sector, extensive background in the financial and healthcare industries and his educational background.

Cameron Wheeler, Ph.D. has served as a member of our board of directors since July 2016. He is a partner in the biotherapeutics group of Deerfield Management Company, L.P., a healthcare-focused investment firm, which he joined in 2014. Previously, Dr. Wheeler served as a Principal on the Private Transactions team at Deerfield. Prior to Deerfield, he worked for and on behalf of Eleven Biotherapeutics, Inc. as a director, beginning in 2009. Before Eleven Biotherapeutics, Inc., Dr. Wheeler was the Manager of the Business Development and Operations team at Constellation Pharmaceuticals, Inc. and a Senior Associate at Third Rock Ventures, LLC from 2008 to 2009. Within

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the last five years, Dr. Wheeler served as a member of the board of directors of Homology Medicines Inc., a publicly traded biopharmaceutical company. Dr. Wheeler holds a Ph.D. and S.M. in Biological Engineering and an S.B. in Mechanical Engineering from the Massachusetts Institute of Technology. Dr. Wheeler’s breadth of experience on the investment side in the development and operation of biotherapeutic companies during their crossover stage from private to publicly traded entities and his extensive technical training are valuable skills that we believe make him qualified to serve on our board of directors.

Family Relationships
There are no family relationships among any of our executive officers or directors.

Board Composition
Our business and affairs are managed under the direction of our board of directors, which currently consists of nine members. In accordance with our amended and restated certificate of incorporation our board of directors is divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors are currently divided among the three classes as follows:

- Class I, which consists of Dr. Ashburn, Dr. Kirkman and Dr. Wheeler, and has a term that expires at our annual meeting of stockholders to be held in 2021;
- Class II, which consists of Dr. Evnin, Mr. Nam and Dr. Morrison, and has a term that expires at our annual meeting of stockholders to be held in 2022; and
- Class III, which consists of Mr. Canute, Dr. Finer and Ms. Fenton, and has a term that expires at our annual meeting of stockholders to be held in 2023.

Our amended and restated bylaws provide that the authorized number of directors may be changed only by resolution approved by a majority of our board of directors.

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.

Director Independence
Our board of directors has undertaken a review of the independence of our directors and considered whether any director has a relationship that, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a member of our board. Based upon information requested from and provided by each director concerning such director’s background, employment and affiliations, including family relationships, our board of directors determined that Drs. Evnin, Kirkman, Morrison and Wheeler, Mr. Canute, Ms. Fenton and Mr. Nam, representing seven of our nine directors, are “independent directors” as defined under Nasdaq listing standards. In making these determinations, our board of directors considered the current and prior relationships that each director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving them described in the section of this prospectus titled “Certain Relationships and Related Party Transactions.” Dr. Ashburn is not an independent director under these rules because he is an executive officer of our company. Dr. Finer is not an independent director under these rules because he was employed by us as an executive officer within the past three years.

Board Committees
Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. From time to time, the board may establish other committees to facilitate the management of our business.
Audit Committee

Our audit committee consists of three directors, Dr. Evnin, Ms. Fenton and Mr. Nam. Our audit committee is composed solely of independent directors under the requirements of the Nasdaq listing standards and Rule 10A-3(b)(1) of the Exchange Act. Each member of our audit committee meets the financial literacy requirements of the Nasdaq listing standards. Ms. Fenton is the chairman of the audit committee and our board of directors has determined that Ms. Fenton is an “audit committee financial expert” as defined by Item 407(d) of Regulation S-K under the Securities Act. The principal duties and responsibilities of our audit committee include, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our consolidated financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes our internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving (or, as permitted, pre-approving) all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee operates under a written charter, which satisfies the applicable rules and regulations of the SEC and Nasdaq listing standards.

Compensation Committee

Our compensation committee consists of three directors, Drs. Evnin, Morrison and Wheeler, each of whom is a non-employee member of our board of directors as defined in Rule 16b-3 under the Exchange Act. The composition of our compensation committee meets the requirements for independence under current rules and regulations of the SEC and Nasdaq listing standards. Dr. Morrison is the chairman of the compensation committee. The principal duties and responsibilities of our compensation committee include, among other things:

- reviewing and recommending to our board of directors the compensation of our executive officers, including evaluating the performance of our chief executive officer and, with his assistance, that of our other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- reviewing and approving, or recommending that our board of directors approve, the terms of compensatory arrangements with our executive officers;
- administering our equity and non-equity incentive plans;
- reviewing and approving, or recommending that our board of directors approve, incentive compensation and equity plans; and
- reviewing and establishing general policies relating to compensation and benefits of our employees and reviewing our overall compensation philosophy.

Our compensation committee operates under a written charter, which satisfies the applicable rules and regulations of the SEC and Nasdaq listing standards.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of four directors, Drs. Evnin, Kirkman and Wheeler and Mr. Canute. The composition of our nominating and governance committee meets the requirements for independence under current rules and regulations of the SEC and Nasdaq listing standards. Dr. Wheeler is the
chairman of the nominating and corporate governance committee. The nominating and corporate governance committee's responsibilities include, among other things:

- identifying, evaluating and selecting, or recommending that our board of directors approve, nominees for election to our board of directors and its committees;
- evaluating the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters; and
- overseeing an annual evaluation of the board’s performance.

Our nominating and governance committee operates under a written charter, which satisfies the applicable rules and regulations of the SEC and Nasdaq listing standards.

**Code of Business Conduct and Ethics**

We maintain a Code of Business Conduct and Ethics, or the Code of Ethics, applicable to all of our employees, executive officers and directors. The Code of Ethics is available on our website at www.oncorus.com. The nominating and corporate governance committee of our board of directors is responsible for overseeing the Code of Ethics and must approve any waivers of the Code of Ethics for employees, executive officers and directors. We expect that any amendments to the Code of Ethics, or any waivers of its requirements, will be disclosed on our website. Information contained in, or accessible through, our website does not constitute a part of, and is not incorporated into, this prospectus.

**Compensation Committee Interlocks and Insider Participation**

None of our executive officers currently serves, or in our last completed fiscal year has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers that has served or is planned to serve on our board of directors or compensation committee. None of the members of our compensation committee is an officer or employee of our company, nor have they ever been an officer or employee of our company.

**Director Compensation**

We provide cash and/or equity-based compensation to certain of our directors for the time and effort necessary to serve as a member of our board of directors. Prior to our IPO in October 2020, certain of our directors affiliated with funds did not receive compensation for their service on our board of directors or committees thereof. Pursuant to Dr. Finer’s amended and restated employment agreement described below under “Certain Relationships and Related Party Transactions,” we pay Dr. Finer an annual fee of $105,000 in consideration for his services as executive chairman of our board, and we granted him an option to purchase 85,943 shares of our common stock in November 2018 in connection with his appointment as our executive chairman. Prior to our IPO, we paid Dr. Kirkman, Mr. Nam and Ms. Fenton each an annual fee of $25,000 in consideration for their services as members of our board. Ms. Fenton was also paid an annual fee of $15,000 for her services as chairperson of our audit committee prior to our IPO. We granted an option to purchase 9,927 shares of our common stock to each of Dr. Kirkman, Ms. Fenton and Mr. Nam in September 2019, December 2019 and June 2020, respectively, in connection with their board service. Prior to our IPO, we paid Dr. Morrison an annual fee of $75,000 in consideration for his services as a member of our board, and we granted him options to purchase 28,650 and 4,196 shares of our common stock in April 2016 and August 2016, respectively, in connection with his board service. In addition, prior to our IPO all of our independent directors were entitled to reimbursement of direct expenses incurred in connection with attending meetings of the board or committees thereof.

Our board of directors maintains a non-employee director compensation policy which became effective on October 6, 2020. Under this director compensation policy, we pay our non-employee directors, excluding our executive
chairman, a cash retainer for service on the board of directors and for service on each committee on which the director is a member. Any non-executive chairman of the board and the chairman of each committee receive higher retainers for such service. These fees are payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of such payment is prorated for any portion of such quarter that the director is not serving on our board of directors. The fees paid to non-employee directors for service on the board of directors and for service on each committee of the board of directors on which the director is a member are as follows:

<table>
<thead>
<tr>
<th>MEMBER ANNUAL FEE</th>
<th>CHAIRMAN ADDITIONAL ANNUAL FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>4,000</td>
<td>3,500</td>
</tr>
</tbody>
</table>

We also reimburse our non-employee directors for reasonable travel and other expenses incurred in connection with attending meetings of our board of directors and any committee of our board of directors on which they serve.

In addition, under our director compensation policy, each non-employee director receives, upon his or her initial election or appointment to our board of directors, an option to purchase 25,000 shares of our common stock under the 2020 Plan. Each of these options vest in equal monthly installments until all shares are vested on the third anniversary of the date of grant, subject to the non-employee director’s continued service as a director. Further, on the date of each annual meeting of stockholders, each non-employee director that has served on our board of directors since at least the beginning of such calendar year will receive an option to purchase 12,500 shares of our common stock under the 2020 Plan. Each of these options will vest in equal monthly installments over the 12 months following the date of grant such that the option is fully vested on the first anniversary of the date of grant, subject to the non-employee director’s continued service as a director. For each non-employee director who remains in continuous service until immediately prior to the closing of a change in control (as defined in the 2020 Plan), the shares subject to his or her then outstanding initial grant and annual grants that were granted under the director compensation policy will become fully vested immediately prior to the closing of such change in control. All options issued to our non-employee directors under our director compensation policy are issued at exercise prices equal to the fair market value of our common stock on the date of grant and have a term of ten years.

2020 Director Compensation Table

The following table sets forth information regarding the compensation earned for service on our board of directors during the year ended December 31, 2020. Dr. Ashburn, our President and Chief Executive Officer, is also a member of our board of directors, but did not receive any additional compensation for service as a director. Dr. Ashburn’s compensation as an executive officer is set forth below under “Executive Compensation—Summary Compensation Table.”

<table>
<thead>
<tr>
<th>NAME</th>
<th>FEES EARNED OR PAID IN CASH ($)</th>
<th>OPTION AWARDS ($) (1)(2)</th>
<th>ALL OTHER COMPENSATION ($) (3)</th>
<th>TOTAL ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitchell Finer, Ph.D.</td>
<td>105,000</td>
<td>—</td>
<td>21,648</td>
<td>126,648</td>
</tr>
<tr>
<td>Scott Canute</td>
<td>2,167</td>
<td>459,675</td>
<td>—</td>
<td>461,842</td>
</tr>
<tr>
<td>Luke Evnin, Ph.D.</td>
<td>12,875</td>
<td>—</td>
<td>—</td>
<td>12,875</td>
</tr>
<tr>
<td>Mary Kay Fenton</td>
<td>42,500</td>
<td>—</td>
<td>—</td>
<td>42,500</td>
</tr>
<tr>
<td>Robert Kirkman, M.D.</td>
<td>28,500</td>
<td>—</td>
<td>—</td>
<td>28,500</td>
</tr>
<tr>
<td>Briggs Morrison, M.D.</td>
<td>67,500</td>
<td>—</td>
<td>—</td>
<td>67,500</td>
</tr>
<tr>
<td>Spencer Nam</td>
<td>18,264</td>
<td>49,680</td>
<td>—</td>
<td>67,944</td>
</tr>
<tr>
<td>Cameron Wheeler, Ph.D.</td>
<td>11,875</td>
<td>—</td>
<td>—</td>
<td>11,875</td>
</tr>
</tbody>
</table>

(1) This column reflects the aggregate grant date fair value of option awards granted during the year measured pursuant to Financial Accounting Standard Board Accounting Standards Codification Topic 718, the basis for computing stock-based compensation in our
consolidated financial statements. This calculation assumes that the director will perform the requisite service for the award to vest in full as required by SEC rules. The assumptions we used in valuing options are described in note 9 to our annual consolidated financial statements included in this prospectus. These amounts do not reflect the actual economic value that will be realized by the director upon vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.

(2) The table below lists the aggregate number of shares subject to option awards outstanding for each of our directors, other than Dr. Ashburn, as of December 31, 2020.

(3) This column reflects the aggregate value of other categories of payment, consisting of costs of medical and dental, vision, life and disability insurance coverage.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
<th>Value of Other Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitchell Finer, Ph.D.</td>
<td>85,940</td>
<td></td>
</tr>
<tr>
<td>Scott Canute</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Luke Ewvin, Ph.D.</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Mary Kay Fenton</td>
<td>9,927</td>
<td></td>
</tr>
<tr>
<td>Robert Kirkman, M.D.</td>
<td>9,927</td>
<td></td>
</tr>
<tr>
<td>Briggs Morrison, M.D.</td>
<td>32,846</td>
<td></td>
</tr>
<tr>
<td>Spencer Nam</td>
<td>9,927</td>
<td></td>
</tr>
<tr>
<td>Cameron Wheeler, Ph.D.</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>
EXECUTIVE COMPENSATION

The following table summarizes information regarding the compensation awarded to, earned by, or paid to our President and Chief Executive Officer, our Chief Scientific Officer and Chief Operating Officer and Chief of Staff during 2020. We refer to these individuals in this prospectus as our named executive officers.

Summary Compensation Table

The following table provides information regarding total compensation awarded to, earned by, and paid to our named executive officers for services rendered to us in all capacities for the fiscal year noted below.

<table>
<thead>
<tr>
<th>NAME AND PRINCIPAL POSITION</th>
<th>YEAR</th>
<th>SALARY ($)</th>
<th>OPTION AWARDS ($) (1)</th>
<th>NON-EQUITY INCENTIVE PLAN COMPENSATION ($) (2)</th>
<th>ALL OTHER COMPENSATION ($) (3)</th>
<th>TOTAL ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theodore (Ted) Ashburn, M.D., Ph.D. (4)</td>
<td>2020</td>
<td>448,607</td>
<td>1,157,701</td>
<td>75,000</td>
<td>33,910</td>
<td>1,915,218</td>
</tr>
<tr>
<td>President, Chief Executive Officer and Director</td>
<td>2019</td>
<td>408,000</td>
<td>1,227,531</td>
<td>135,660</td>
<td>29,913</td>
<td>1,801,104</td>
</tr>
<tr>
<td>Christophe Quéva, Ph.D.</td>
<td>2020</td>
<td>370,917</td>
<td>962,058</td>
<td>—</td>
<td>31,937</td>
<td>1,364,912</td>
</tr>
<tr>
<td>Chief Scientific Officer and Senior Vice President, Research</td>
<td>2019</td>
<td>340,100</td>
<td>443,540</td>
<td>96,929</td>
<td>31,937</td>
<td>909,058</td>
</tr>
<tr>
<td>Stephen Harbin (5)</td>
<td>2020</td>
<td>17,545</td>
<td>5,606,802</td>
<td>—</td>
<td>51,615</td>
<td>5,675,962</td>
</tr>
</tbody>
</table>

(1) This column reflects the aggregate grant date fair value of option awards granted during the year measured pursuant to Financial Accounting Standard Board Accounting Standards Codification Topic 718, the basis for computing stock-based compensation in our consolidated financial statements. This calculation assumes that the named executive officer will perform the requisite service for the award to vest in full as required by SEC rules. The assumptions we used in valuing options are described in note 9 to our annual consolidated financial statements included in this prospectus. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.

(2) Amounts of 2020 cash bonus awards have not yet been determined. In connection with the IPO, Dr. Ashburn was paid a $75,000 bonus.

(3) This column reflects the aggregate value of other categories of payment, consisting of costs of medical, dental, vision, life and disability insurance coverage, commuter reimbursement fees and cell phone plan costs. Cash consulting fees paid to Mr. Harbin in aggregate value of $49,633 until the commencement of his employment in December 2020 are also included in this column.

(4) Dr. Ashburn is also a member of our board of directors but does not receive any additional compensation in his capacity as a director.

(5) Prior to the commencement of his employment in December 2020, Mr. Harbin was a consultant to our company. During his tenure as a consultant during 2020, Mr. Harbin was granted options to purchase our common stock with a grant date fair value of $24,725 and was paid consulting fees in aggregate value of $49,633. The grant date fair value of the option award is reflected under the “Option Awards” column above and the amount of consulting fees is reflected in the “All Other Compensation” column above.

Narrative to Summary Compensation Table

The compensation committee of our board of directors has historically determined our executives’ compensation and determines the compensation of our named executive officers. Our compensation committee typically reviews and discusses management’s proposed compensation with the Chief Executive Officer for all executives other than the Chief Executive Officer. Based on those discussions and its discretion, the compensation committee then approves the compensation of each executive officer after discussions without members of management present. We generally do not provide perquisites or personal benefits except in limited circumstances, and we did not provide any perquisites or personal benefits to our named executive officers in 2020.
Annual Base Salary

The annual base salaries of our named executive officers are generally reviewed, determined and approved by our compensation committee periodically in order to compensate our named executive officers for the satisfactory performance of duties to our company. Annual base salaries are intended to provide a fixed component of compensation to our named executive officers, reflecting their skill sets, experience, roles and responsibilities. Base salaries for our named executive officers have generally been set at levels deemed necessary to attract and retain individuals with superior talent.

The following table sets forth the annual base salaries for each of our named executive officers for 2020 and 2021, as determined by the compensation committee:

<table>
<thead>
<tr>
<th>NAME</th>
<th>2020 BASE SALARY ($)</th>
<th>2021 BASE SALARY ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theodore (Ted) Ashburn, M.D., PhD. President, Chief Executive Officer and Director</td>
<td>432,500</td>
<td>500,000</td>
</tr>
<tr>
<td>Christophe Quéva, Ph.D. Chief Scientific Officer and Senior Vice President, Research</td>
<td>357,100</td>
<td>415,000</td>
</tr>
<tr>
<td>Steve Harbin(2) Chief Operating Officer and Chief of Staff</td>
<td>250,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

(1) Effective upon the IPO in October 2020, Dr. Ashburn's and Dr. Quéva's annual base salaries were increased to $500,000 and $415,000, respectively.
(2) Mr. Harbin joined us as Chief Operating Officer and Chief of Staff in 2020.

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. Each of our named executive officers is eligible to receive an annual performance bonus based on the achievement of individual and company-wide annual performance goals as determined by our compensation committee. Each officer is assigned a target bonus expressed as a percentage of his base salary. The target bonus amounts for Dr. Ashburn and Dr. Quéva for 2020 were initially set at 35% and 30%, respectively. Effective upon the IPO, Dr. Ashburn's and Dr. Quéva's target bonus amounts for the remainder of 2020 and future years, expressed as a percentage of base salary, were increased to 50% and 40%, respectively. Mr. Harbin started as an employee in December 2020 and is eligible for a pro-rated bonus of 40% of his base salary bonus for 2020 and future years.

Equity Incentives

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help align the interests of our executives with those of our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain employed by us during the vesting period. Accordingly, our compensation committee periodically reviews the equity incentive compensation of our executive officers and from time to time, our board of directors, upon recommendation from the compensation committee, may grant equity incentive awards to them in the form of stock options and restricted stock awards.

We use stock options and restricted stock awards to compensate our executive officers in the form of initial grants in connection with the commencement of employment and also at other various times during their employment. Stock options and restricted stock awards are granted to our executive officers by our board of directors. None of our executive officers is currently party to an employment agreement that provides for automatic award of stock options or restricted stock awards. We have granted stock options and restricted stock awards to our executive officers with time-based vesting. The options and restricted stock awards that we have granted to our executive officers typically become exercisable as to 25% of the shares underlying the option or vest with respect to 25% of the restricted shares, as the case may be, on the first anniversary of the grant date, and as to an additional 1/48th of the original number of shares underlying the option or restricted shares, as the case may be, monthly thereafter. Vesting rights of stock options cease upon termination of employment and exercise rights cease shortly after termination, except that
exercisability is extended in the case of death or disability. Vesting rights of restricted stock awards cease upon termination of employment and we have a right to repurchase unvested restricted shares within a limited period of time following termination of employment. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including no voting rights and no right to receive dividends or dividend equivalents. Prior to vesting of restricted stock awards, the holder generally has rights as a stockholder with respect to the restricted shares, including voting rights and the right to receive dividends on vested shares or dividend equivalents, subject to certain exceptions.

In connection with the IPO in October 2020, we granted Dr. Ashburn and Dr. Quéva options to purchase 126,624 and 89,725 shares of our common stock, respectively, under the 2020 Equity Incentive Plan, or the 2020 Plan. Each of these options is exercisable at a price per share equal to the initial offering price in our IPO, which was $15.00, and vests as to 25% of the underlying shares on the first anniversary of the grant date, with the remainder vesting in equal monthly installments over 36 months thereafter, subject to continuous service.

Prior to the IPO, we granted stock options with exercise prices that were equal to the fair market value of our common stock on the date of grant as determined by our board of directors, based on a number of objective and subjective factors. The exercise price of all stock options granted since the IPO are equal to the fair market value of shares of our common stock on the date of grant, which is determined by reference to the closing market price of our common stock on the date of grant.

### Outstanding Equity Awards as of December 31, 2020

The following table sets forth certain information about equity awards granted to our named executive officers that remained outstanding as of December 31, 2020.

<table>
<thead>
<tr>
<th>NAME</th>
<th>OPTION AWARDS</th>
<th>STOCK AWARDS</th>
<th>MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NUMBER OF SECURITIES UNDERLYING EXERCISED OPTIONS (#)</td>
<td>NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)</td>
<td>OPTION EXERCISE PRICE ($)</td>
</tr>
<tr>
<td>Theodore (Ted) Ashburn, M.D., PhD.</td>
<td>193,226</td>
<td>138,709</td>
<td>1.81</td>
</tr>
<tr>
<td></td>
<td>106,639</td>
<td>234,606</td>
<td>5.32</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>126,624</td>
<td>15.00</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Christophe Quéva, Ph.D.</td>
<td>30,004</td>
<td>23,338</td>
<td>1.81</td>
</tr>
<tr>
<td></td>
<td>38,531</td>
<td>84,770</td>
<td>5.32</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>89,725</td>
<td>15.00</td>
</tr>
<tr>
<td>Steve Harbin</td>
<td>2,068</td>
<td>—</td>
<td>3.87</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>2,068</td>
<td>14.99</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>169,000</td>
<td>27.99</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>113,000</td>
<td>27.99</td>
</tr>
</tbody>
</table>

(1) Based on the closing market price of $32.33 for our common stock on December 31, 2020.

### Agreements with Named Executive Officers

We have entered into an employment agreement or amended and restated employment agreement with each of our named executive officers. These agreements provide for base salaries and incentive compensation, and each component reflects the scope of each named executive officer’s anticipated responsibilities and the individual experience they bring to our company. The employment of each of our named executive officers is “at will” and may be terminated at any time. The employment agreements include post-termination restrictions on soliciting our...
employees and a restriction on competing with us for a period of 12 months following termination of employment. In addition, each of our named executive officers has executed a form of our standard proprietary information and inventions agreement.

**Theodore (Ted) Ashburn, M.D., Ph.D.** We entered into an employment agreement with Dr. Ashburn in July 2018 setting forth the terms of his employment, which was subsequently amended in November 2018 and April 2020, and was amended and restated in connection with our IPO. Dr. Ashburn was entitled to an initial annual base salary of $400,000, which has been subsequently increased, most recently in connection with our IPO, to $500,000. In connection with his appointment as Chief Executive Officer, Dr. Ashburn received a one-time signing bonus of $60,000 in August 2018. Dr. Ashburn was granted a stock option under our 2016 Equity Incentive Plan, or the 2016 Plan, to purchase 350,421 shares of our common stock in November 2018 that is subject to vesting as to 25% of the underlying shares on July 16, 2019 and as to the remaining underlying shares in equal monthly installments over 36 months thereafter, subject to Dr. Ashburn’s continued service through each such vesting date. Dr. Ashburn was granted a stock option under our 2016 Plan to purchase 341,245 shares of our common stock in September 2019 that is subject to vesting as to 25% of the underlying shares on September 17, 2020 and as to the remaining underlying shares in equal monthly installments over 36 months thereafter, subject to Dr. Ashburn’s continued service through each such vesting date. In connection with the IPO in October 2020, Dr. Ashburn was granted an option to purchase 126,624 shares of our common stock under the 2020 Plan at a price per share equal to the initial offering price, which was $15.00. This option vests as to 25% of the underlying shares on the first anniversary of the grant date, with the remainder vesting in equal monthly installments over 36 months thereafter, subject to continuous service.

Dr. Ashburn is also eligible to receive an annual performance bonus pursuant to the agreement as a target bonus based on his achievement of performance objectives set by our board of directors, after consultation with Dr. Ashburn, as well as overall company and individual performance. On January 1, 2020, Dr. Ashburn’s target bonus was increased to 40% of his base salary. Effective upon the IPO, Dr. Ashburn’s target bonus amount was increased to 50% of his base salary. Dr. Ashburn also received a one-time bonus of $75,000 upon the completion of IPO. Dr. Ashburn’s amended and restated employment agreement also provides for certain severance benefits, the terms of which are described below under “—Potential Payments Upon Termination or Change of Control.”

**Christophe Quéva, Ph.D.** We entered into an offer letter with Dr. Quéva in August 2017 setting forth the terms of his employment, and in connection with the IPO, we entered into an employment agreement with Dr. Quéva. Dr. Quéva was entitled to an initial annual base salary of $320,000, which has been subsequently increased, most recently in connection with the IPO, to $415,000. In connection with the commencement of his employment, Dr. Quéva received a one-time relocation bonus of $50,000 in October 2017. Dr. Quéva was granted 82,730 restricted shares of our common stock in October 2017 under our 2016 Plan that are subject to vesting as to 25% of the shares on October 2, 2018 and as to the remaining shares in equal monthly installments over 36 months thereafter, subject to Dr. Quéva’s continued service through each such vesting date. Dr. Quéva was granted a stock option under our 2016 Plan to purchase 53,342 shares of our common stock in November 2018 that is subject to vesting as to 25% of the underlying shares on September 6, 2019 and as to the remaining underlying shares in equal monthly installments over 36 months thereafter, subject to Dr. Quéva’s continued service through each such vesting date. Dr. Quéva was granted a stock option under our 2016 Plan to purchase 123,301 shares of our common stock in September 2019 that are subject to vesting as to 25% of the shares on September 17, 2020 and as to the remaining underlying shares in equal monthly installments over 36 months thereafter, subject to Dr. Quéva’s continued service through each such vesting date. In connection with the IPO in October 2020, Dr. Quéva was granted an option to purchase 89,725 shares of our common stock under the 2020 Plan at a price per share equal to the initial offering price, which was $15.00. This option vests as to 25% of the underlying shares on the first anniversary of the grant date, with the remainder vesting in equal monthly installments over 36 months thereafter, subject to continuous service.

On January 1, 2020, Dr. Quéva’s target bonus percentage was increased to 35% of his base salary. In connection with the IPO in October 2020, Dr. Quéva’s annual target bonus was increased to 40%. Dr. Quéva’s employment agreement also provides for certain severance benefits, the terms of which are described below under “—Potential Payments Upon Termination or Change of Control.”
Steve Harbin. We entered into an employment agreement with Mr. Harbin in December 2020 setting forth the terms of his employment. Mr. Harbin is entitled to an annual base salary of $250,000, in exchange for his commitment to providing services to us approximately three days per week. Mr. Harbin is eligible to receive a target annual bonus per calendar year in an amount up to 40% of his annual base salary. Mr. Harbin was granted a stock option under the 2020 Plan to purchase (a) 169,000 shares of our common stock, subject to vesting as to 25% of the underlying shares on December 7, 2021 and as to the remaining underlying shares in equal monthly installments over 36 months thereafter, subject to Mr. Harbin's continued service through each such vesting date, and (b) 113,000 shares of our common stock subject to vesting, as to one-third of the underlying shares on the date that the first oHSV GMP batch is released for clinical use at our new manufacturing facility, one-third of the underlying shares on the date that the first Synthetic GMP batch is released for clinical use at our new manufacturing facility and one-third of the underlying shares on the date that three consecutive commercially-viable validation runs generating ONCR-177 drug product available for commercial use are completed, subject to Mr. Harbin's continued service through each such vesting date, provided, however, that if none or only a portion of such shares have vested by December 7, 2024, and Mr. Harbin continues to provide continuous service as an employee of ours through such date, then the vesting of the underlying shares shall be accelerated and all shares will vest in full on December 7, 2024. Prior to joining as an employee and in connection with his role as a consultant, Mr. Harbin was granted stock options on August 15, 2019 and September 22, 2020. Both of these grants were under our 2016 Plan, and each grant was for the purchase of 2,068 shares of our common stock. The option granted on August 15, 2019 is fully vested. The option granted on September 22, 2020 vests as to 25% of the underlying shares on the first anniversary of the grant date, with the remainder vesting in equal monthly installments over 36 months thereafter, subject to continuous service. Mr. Harbin's employment agreement also provides for certain severance benefits, the terms of which are described below under “—Potential Payments Upon Termination or Change of Control.”

Potential Payments Upon Termination or Change of Control

Regardless of the manner in which a named executive officer’s service terminates, each named executive officer is entitled to receive amounts earned during his term of service, including salary, as described below.

Pursuant to each named executive officer’s employment agreement, if the officer’s employment with us ends due to his resignation for “good reason” or his termination by us other than for “cause,” each as defined in his employment agreement, he is entitled to receive: (1) a severance payment equal to twelve months of his then-current base salary, (2) continued health benefits under COBRA for up to twelve months, or if earlier, the date he is eligible for comparable replacement coverage under a subsequent employer’s group health plan, (3) acceleration of vesting for outstanding equity awards through the date that is 12 months following the date of termination, and (4) in the case of Dr. Ashburn only, an additional severance payment of a pro-rata portion (calculated based on the number of days he served hereunder during such fiscal year) of his target performance bonus for the year in which such termination occurs, payable at the same time that bonuses are paid to the other executive officers. In the case of the officer’s termination of employment for any reason other than for "cause" or resignation for “good reason,” in either case that occurs within 60 days before or 12 months after the occurrence of a “Change of Control” (as defined in the agreement), then, in addition to the foregoing payments and benefits, (1) all unvested equity awards at the time that such termination occurs will be accelerated in full and deemed to have vested as of his employment termination date and (2) in the case of Dr. Ashburn only, his severance payment shall be increased to 18 months of his annual base salary and his health benefits shall continue for up to 18 months. Each officer's benefits are conditioned, among other things, on his compliance with his post-termination obligations under his employment agreement and his execution of a general release of claims in our favor.

Further, pursuant to each officer’s employment agreement, if post-termination amounts payable constitute "parachute payments" under Section 280G of the Internal Revenue Code of 1986, as amended, or the Code, and are subject to the excise tax under Section 4999 of the Code, then such payments will either (1) be paid in full or (2) reduced so that the Section 4999 excise tax does not apply, whichever results in the greater after-tax economic benefit to the officer.
Equity Incentive Plans

The principal features of our equity incentive plans are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which are filed as exhibits to the registration statement of which this prospectus is a part.

2020 Equity Incentive Plan

In September 2020, our board of directors adopted and our stockholders approved our 2020 Plan. The 2020 Plan became effective on October 1, 2020, after which no further grants were made under our 2016 Plan, as described in “—2016 Equity Incentive Plan.” As of December 31, 2020, there were outstanding stock options covering a total of 706,219 shares of common stock that were granted under the 2020 Plan. Our 2020 Plan provides for the grant of stock options qualifying as incentive stock options, or ISOs, within the meaning of Section 422 of the Code, to our employees and for the grant of nonstatutory stock options, or NSOs, restricted stock awards, restricted stock unit awards, stock appreciation rights, performance stock awards and other forms of stock compensation to our employees, consultants and directors. Our 2020 Plan also provides for the grant of performance cash awards to our employees, consultants and directors.

Authorized Shares. The number of shares of our common stock initially reserved for issuance under our 2020 Plan was the sum of (i) 2,800,000 shares of our common stock, (ii) the number of shares remaining available for issuance under our 2016 Plan when the 2020 Plan became effective and (iii) the number of shares of our common stock subject to outstanding awards under our 2016 Plan when the 2020 Plan became effective that thereafter expire or are forfeited, canceled, withheld to satisfy tax withholding or to purchase or exercise an award, repurchased by us or are otherwise terminated. The number of shares of our common stock reserved for issuance under our 2020 Plan automatically increases on January 1 of each year, for a period of 10 years, from January 1, 2021 continuing through January 1, 2030, by 5% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares as may be determined by our board of directors. On January 1, 2021, the number of shares of our common stock reserved for issuance under our 2020 Plan increased by 1,130,896 shares, which represents 5% of the total number of shares of our common stock outstanding on December 31, 2020. The maximum number of shares that may be issued pursuant to the exercise of ISOs under the 2020 Plan is 15,000,000.

Shares issued under our 2020 Plan may be authorized but unissued or reacquired shares of our common stock. 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 issued pursuant to stock awards under our 2020 Plan that we repurchase or that are forfeited, as well as shares reacquired by us as consideration for the exercise or purchase price of a stock award or to satisfy tax withholding obligations related to a stock award, become available for future grant under our 2020 Plan.

Administration. Our board of directors, or a duly authorized committee thereof, has the authority to administer our 2020 Plan. Our board of directors has delegated its authority to administer our 2020 Plan to our compensation committee under the terms of the compensation committee’s charter. 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 of our common stock to be subject to such stock awards. Subject to the terms of our 2020 Plan, the administrator has the authority to determine the terms of awards, including recipients, the exercise price or strike price of stock awards, if any, the number of shares subject to each stock award, the fair market value of a share of our common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, the form of consideration, if any, payable upon exercise or settlement of the stock award and the terms and conditions of the award agreements for use under our 2020 Plan.

The administrator has the power to modify outstanding awards under our 2020 Plan. Subject to the terms of our 2020 Plan, the administrator has the authority to reprice any outstanding option or stock award, cancel and re-grant any outstanding option or stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.
Limitation on Grants to Non-Employee Directors. The maximum number of shares of our common stock subject to awards granted under our 2020 Plan or otherwise during a single calendar year to any of our non-employee directors, taken together with any cash fees paid by us to such non-employee director during the calendar year for serving on our board, will not exceed $750,000 in total value (the value of any such stock awards to be based on their grant date fair market value for financial reporting purposes), or, with respect to the calendar year in which a non-employee director is first appointed or elected to our board, $1,000,000.

Stock Options. ISOs and NSOs are evidenced by stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for a first stock option, 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 by the plan administrator.

The plan administrator determines the term of stock options granted under the 2020 Plan, up to a maximum of 10 years. Unless the terms of an option holder’s stock option agreement provide otherwise, if an option holder’s service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the option holder may generally exercise any vested options for a period of three months following the cessation of service. The option term will automatically be extended in the event that exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an option holder’s service relationship with us or any of our affiliates ceases due to disability or death, or an option holder dies within a certain period following cessation of service, the option holder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the option holder, (4) a net exercise of the option if it is an NSO and (5) other legal consideration approved 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 option holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will be treated as NSOs. No ISOs 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 parent or subsidiary corporations unless (1) 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 (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are evidenced by restricted stock award agreements adopted by the plan administrator. Restricted stock awards may be granted in consideration for (1) cash, check, bank draft or money order, (2) services rendered to us or our affiliates or (3) any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule as determined by the plan administrator. Rights to acquire shares under a restricted stock award may be transferred only upon such terms and conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock awards that have not vested will be forfeited upon the participant’s cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards are evidenced by restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration or for no consideration. A restricted stock unit award 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 award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Rights under a restricted stock unit award may be transferred only upon such terms and conditions as set by the plan administrator. Restricted stock unit awards may be subject to vesting as determined by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant’s cessation of continuous service for any reason.

**Stock Appreciation Rights.** Stock appreciation rights are evidenced by stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the 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. Upon the exercise of a stock appreciation right, we will pay the participant an amount in cash or stock equal to (1) the excess of the per share fair market value of our common stock on the date of exercise over the strike price, multiplied by (2) the number of shares of common stock with respect to which the stock appreciation right is exercised. 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.

The plan administrator determines the term of stock appreciation rights granted under the 2020 Plan, up to a maximum of 10 years. Unless the terms of a participant’s stock appreciation right agreement provides otherwise, if a participant’s service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The stock appreciation right term will be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant’s service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Unless the plan administrator provides otherwise, stock appreciation rights generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. A stock appreciation right holder may designate a beneficiary, however, who may exercise the stock appreciation right following the holder’s death.

**Performance Awards.** Our 2020 Plan permits the grant of performance awards. The performance goals mean, for a performance period, the one or more goals established by the plan administrator for the performance period based on the performance criteria. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by our board of directors when the performance award is granted, 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 any 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; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, we retain the discretion to adjust 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.

Corporate Transactions. The following applies to stock awards under the 2020 Plan in the event of certain specified corporate transactions, 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 our 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 (i) 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 corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full (or, in the case of performance awards with multiple vesting levels depending on the level of performance, vesting will accelerate at 100% of the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction), and (ii) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate 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 corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate 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 per share amount payable to holders of our common stock in connection with the corporate transaction, over (ii) any per share exercise price payable by such holder, if applicable. In addition, any escrow, holdback, earn out or similar provisions in the definitive agreement for the corporate transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of our common stock.

Under the 2020 Plan, a significant corporate transaction is generally the consummation of (1) a sale or other disposition of all or substantially all of our consolidated assets, (2) a sale or other disposition of at least 50% of our outstanding securities, (3) a merger, consolidation or similar transaction following which we are not the surviving corporation or (4) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Amendment or Termination. Our board 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. No ISOs may be granted after the tenth anniversary of the date our board of directors adopts our 2020 Plan.

2016 Equity Incentive Plan

Our board of directors adopted and our stockholders approved our 2016 Plan in March 2016. Our 2016 Plan was amended most recently in August 2019. In October 2020, upon the effective date of the 2020 Plan, the 2016 Plan ceased to be available for new grants of equity awards, and any shares remaining available for issuance under the 2016 Plan became available for issuance under the 2020 Plan. Any outstanding options granted under the 2016 Plan will remain outstanding, subject to the terms of our 2016 Plan and stock option agreements, until such outstanding options are exercised or until they terminate or expire by their terms. The 2016 Plan provided for the discretionary grant of ISOs, nonstatutory stock options, stock appreciation rights, restricted stock awards and
restricted stock unit awards to our employees, directors and consultants or our affiliates. ISOs were able to be granted only to our employees or employees of our affiliates.

**Authorized Shares.** The maximum number of shares of our common stock that were able to be issued pursuant to stock awards under the 2016 Plan was 2,736,105. The maximum number of shares of our common stock that were able to be issued upon the exercise of ISOs under our 2016 Plan was 8,298,315.

**Plan Administration.** Our board of directors, or a duly authorized committee thereof, has the authority to administer the 2016 Plan. The plan administrator has the authority to modify outstanding awards under our 2016 Plan. Subject to the terms of our 2016 Plan, the plan administrator has the authority, without stockholder approval, to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

**Stock Options.** Incentive and nonstatutory stock options are evidenced by stock option agreements adopted by the plan administrator. The plan administrator determined the exercise price for a stock option, within the terms and conditions of the 2016 Plan, provided, that, the exercise price of a stock option generally could not be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2016 Plan vest at the rate specified by the plan administrator.

The plan administrator determined the term of stock options granted under the 2016 Plan, up to a maximum of ten years. Unless the terms of an option holder’s stock option agreement provide otherwise, if an option holder’s service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the option holder may generally exercise any vested options for a period of three months following the cessation of service. The option term will automatically be extended in the event that exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an option holder’s service relationship with us or any of our affiliates ceases due to disability or death, or an option holder dies within a certain period following cessation of service, the option holder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a payment pursuant to a program developed under Regulation T resulting in our receipt of cash or check or irrevocable instructions to pay the aggregate exercise price from the sales proceeds, (3) the tender of shares of our common stock previously owned by the option holder, (4) a net exercise of the option if it is an nonqualified stock option, (5) deferred payment, pursuant to annually compounding interest at the minimum rate necessary to comply with relevant federal tax laws and financial accounting principles and (6) other legal consideration approved by the plan administrator.

**Certain Adjustments.** In the event of any change affecting our common stock, including, for example, any merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, liquidating dividend, exchange of shares, change in corporate structure or any other such equity restructuring transaction, our board of directors will make final, binding and conclusive adjustments to the classes and maximum number of shares subject to the 2016 Plan, the classes and maximum number of shares that may be issued upon the exercise of incentive stock options and number of shares, and the price per share of, shares subject to any outstanding stock awards.

**Dissolution and Liquidation.** In the event of a dissolution or liquidation, except as otherwise provided in the stock option agreement, all outstanding stock awards not subject to a forfeiture condition or our right of repurchase will terminate immediately prior to such dissolution or liquidation. Shares subject to a forfeiture condition or our right of repurchase may be repurchased or reacquired by us. Our board of directors, in its sole discretion, may cause all or some of the outstanding stock awards to fully vest and no longer be subject to any forfeiture condition or our right of repurchase prior to, and contingent upon, any dissolution or liquidation.
Corporate Transactions. In the event of certain specified significant corporate transactions, the plan administrator has the discretion to take any of the following actions with respect to stock awards:

- arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company;
- accelerate the vesting of the stock award and provide for its termination prior to the effective time of the corporate transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase right held by us;
- cancel or arrange for the cancellation of the stock award in exchange for such cash consideration, if any, as our board of directors may deem appropriate or for no consideration; or
- make a payment equal to the excess of (1) the value of the property the participant would have received upon exercise of the stock award immediately prior to the effective time of such corporate transaction over (2) the exercise price or strike price otherwise payable in connection with the stock award.

Our plan administrator is not obligated to treat all stock awards, even those that are of the same type, in the same manner.

Under the 2016 Plan, a significant corporate transaction is generally the consummation of (1) a sale or other disposition of all or substantially all of our consolidated assets, (2) a sale or other disposition of at least 90% of our outstanding securities, (3) a merger, consolidation or similar transaction following which we are not the surviving corporation or (4) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Transferability. Unless the plan administrator provides otherwise, options granted under the 2016 Plan generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An option holder may designate a beneficiary, however, who may exercise the option following the option holder’s death. Rights to acquire shares of common stock under any restricted stock award may only be transferred as set forth in the applicable restricted stock award agreement.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2016 Plan, provided that such action does not materially impair the existing rights of any participant without such participant’s written consent and provided further that certain types of amendments will require the approval of our stockholders as required by applicable law or listing requirements. Once the 2020 Plan became effective on October 1, 2020, no further grants have been or will be made under the 2016 Plan.

2020 Employee Stock Purchase Plan

In September 2020, our board of directors adopted and our stockholders approved our 2020 Employee Stock Purchase Plan, or ESPP. The ESPP became effective on October 1, 2020. 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. The ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. In addition, purchase rights may be granted under a component that does not qualify for such favorable tax treatment when necessary or appropriate to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws.

Share Reserve. The ESPP authorizes the issuance of shares of our common stock pursuant to purchase rights granted to our employees or to employees of any of our designated affiliates. The 2020 ESPP initially provides participating employees with the opportunity to purchase up to an aggregate of 280,000 shares of our common stock.
The number of shares of our common stock reserved for issuance will automatically increase on January 1 of each calendar year, for a period of 10 years, from January 1, 2021 continuing through January 1, 2030, by the lesser of (i) 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, and (ii) 560,000 shares; provided, that prior to 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). In December 2020, our board of directors determined that there would be no automatic increase in the number of shares of our common stock reserved under the ESPP on January 1, 2021. If purchase rights granted under the ESPP terminate without having been exercised, the shares of our common stock not purchased under such purchase rights again become available for issuance under the ESPP.

**Administration.** Our board of directors has delegated concurrent 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. 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 15% 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 equal to the lower of (i) 85% of the fair market value of a share of our common stock on the first trading date of an offering or (ii) 85% of the fair market value of a share of our common stock on the date of purchase.

**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 pursuant to 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 applicable to all outstanding offerings and 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 more than 50% of our outstanding securities, (iii) the consummation of a merger or consolidation where we do not survive the transactions and (iv) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately prior to 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 10 business days prior to such corporate transaction, and such purchase rights will terminate immediately.
Amendments 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 intended to qualify as a tax-qualified plan under Section 401 of the Code with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. The 401(k) plan provides that each participant may contribute up to the lesser of 100% of his or her compensation or the statutory limit, which was $19,500 for calendar year 2020, and, starting on January 1, 2021, we make matching contributions of up to 3.0% of their compensation. Employees' pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participant's directions. Employees are immediately and fully vested in their contributions. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

Rule 10b5-1 Sales Plans
Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. It is also possible that the director or officer could amend or terminate the plan when not in possession of material, nonpublic information. In addition, our directors and executive officers may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Limitations on Liability and Indemnification Matters
Our amended and restated certificate of incorporation contains provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director’s duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

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 rescission.

Our amended and restated bylaws provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our amended and restated bylaws also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law.

We have also entered and expect to continue to enter into indemnification agreements with our directors and officers. With certain exceptions, these indemnification agreements provide, among other things, that we will indemnify our directors and officers for certain expenses, including damages, judgments, fines, penalties, settlements and costs and attorneys' fees and disbursements, incurred by a director or officer in any claim, action or
proceeding arising in his or her capacity as a director or officer of our company or in connection with service at our request for another corporation or entity. The indemnification agreements also provide for procedures that will apply in the event that a director or officer makes a claim for indemnification. We believe that the amended and restated certificate of incorporation and amended and restated bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

We also 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 indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder’s investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, we describe below the transactions and series of similar transactions, since January 1, 2018, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, or holders of more than 5% of our common stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

We have entered into various employment-related agreements and compensatory arrangements with our directors and executive officers that, among other things, provide for compensatory and certain severance and change in control benefits. For a description of these agreements and arrangements, see the sections titled “Management” and “Executive Compensation.”

Participation in Our Initial Public Offering

In connection with our initial public offering, or IPO, certain of our related parties purchased shares of our common stock from the underwriters at the IPO price of $15.00 per share, and on the same terms as other investors in our IPO. The following table summarizes purchases of shares of our common stock in our IPO by our related parties:

<table>
<thead>
<tr>
<th>RELATED PARTY</th>
<th>SHARES OF COMMON STOCK</th>
<th>TOTAL PURCHASE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceptive Life Sciences Master Fund, Ltd.(1)</td>
<td>1,027,666</td>
<td>$15,414,990</td>
</tr>
<tr>
<td>Entities affiliated with Deerfield Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company(2)</td>
<td>1,000,000</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>CHI Advisors LLC(3)</td>
<td>666,666</td>
<td>$  9,999,990</td>
</tr>
<tr>
<td>MPM Asset Management LLC(4)</td>
<td>325,000</td>
<td>$  4,875,000</td>
</tr>
</tbody>
</table>

(1) Perceptive Advisors LLC serves as the investment manager to Perceptive Life Sciences Master Fund, Ltd. and may be deemed to beneficially own the shares held by Perceptive Life Sciences Master Fund, Ltd. The managing member of Perceptive Advisors LLC is Joseph Edelman. Perceptive Life Sciences Master Fund, Ltd. is a holder of more than 5% of our capital stock prior to this offering.

(2) Represents (i) 445,194 shares of common stock purchased by Deerfield Healthcare Innovations Fund, L.P., or Deerfield HIF, (ii) 109,612 shares of common stock purchased by Deerfield Partners, L.P., or Deerfield Partners, and (iii) 445,194 shares of common stock purchased by Deerfield Private Design Fund III, L.P., or Deerfield PDF III. Deerfield HIF, Deerfield Partners and Deerfield PDF III are collectively referred to as the Deerfield Funds. The Deerfield Funds collectively hold more than 5% of our capital stock prior to this offering.

(3) CHI Advisors LLC is an affiliate of Cowen Healthcare Investments II LP. Entities affiliated with Cowen Healthcare Investments II LP collectively hold more than 5% of our capital stock prior to this offering.

(4) Each of Luke Envin, Ph.D., Briggs Morrison, M.D. and Mitchell Finer, Ph.D. is a member of our board of directors and is an affiliate of MPM Capital, of which MPM AMI BV2014, MPM AMI SunStates Fund, MPM BioVentures 2014 (B), MPM BioVentures 2014, and MPM SunStates Fund are affiliated funds. MPM Management was retained as a manager to manage the operations of MPM BioVentures 2014, MPM BioVentures 2014 (B), MPM AMI BV2014 LLC, MPM SunStates Fund, and MPM AMI SunStates Fund. Entities affiliated with MPM Capital collectively hold more than 5% of our capital stock prior to this offering.

Finer Agreement

We entered into an offer letter agreement with Dr. Mitchell Finer on March 29, 2016 setting forth the terms of his employment as our Chief Executive Officer, which was subsequently amended and restated as an employment agreement on August 8, 2018 in connection with his transition to our Executive Chairman, and amended again on November 14, 2018 and on April 6, 2020. Pursuant to his amended and restated agreement, Dr. Finer was entitled to an initial annual base salary of $210,000, which was subsequently decreased to $105,000 on August 5, 2019 following the initial closing of our Series B financing. Dr. Finer’s agreement continues in effect following our IPO, and he does not participate in our non-employee director compensation policy described above under “Management—Director Compensation”. In connection with his transition from Chief Executive Officer to Executive Chairman, Dr. Finer received a pro-rated bonus of $168,578 in July 2018 for his service as Chief Executive Officer. Dr. Finer was granted a stock option to purchase 85,943 shares of our common stock on November 14, 2018 that is subject to vesting as to (i) 16.66% of the underlying shares following the initial closing of our Series B convertible preferred stock financing, or the Series B Financing Options, (ii) 33.33% of the underlying shares in 24 equal monthly installments beginning with the first month following the initial closing of our Series B convertible preferred stock financing.
stock financing, or the Series B Time-Based Options, (iii) 25.00% of the underlying shares on the date immediately prior to the closing our IPO, or the IPO Options, and (iv) 25.00% of the underlying shares in 24 equal monthly installments beginning with the first month following our IPO, or the IPO Time-Based Options, all subject to Dr. Finer’s continued service through each such vesting date. Notwithstanding the foregoing, if our company undergoes a “change in control” (as defined in the 2016 Plan), and subject to Dr. Finer’s continuous service with our company through such date and his execution of release as set forth in his amended and restated agreement, then the unvested portion of the Series B Time-Based Options shall fully vest immediately prior to the date of such change in control. Further, if Dr. Finer’s service is terminated by us without “cause” (as defined in the amended and restated agreement) prior to the date on which the Series B Time-Based Options or the IPO Time-Based Options, as applicable, become fully vested, then the unvested portion of the Series B Time-Based Options or IPO Time-Based Options, as applicable, shall become fully vested.

Pursuant to his amended and restated agreement, if Dr. Finer’s service with us ends due to his resignation for “good reason” or is terminated by us other than for “cause,” he is entitled to payment of premiums for continued health benefits under COBRA for up to twelve months, or if earlier, the date he is eligible for comparable replacement coverage under a subsequent employer’s group health plan. In the case of his termination of service for a reason other than for “cause” or his resignation for “good reason,” all unvested restricted shares granted on April 27, 2016 and August 29, 2016 held by Dr. Finer will be accelerated such that an additional 12 months of vesting shall be deemed to have occurred as of his service termination date. If such termination occurs within two months prior to a “Change of Control” (as defined in the amended and restated agreement) or within 12 months after the occurrence of a “Change of Control,” then, in addition to the foregoing, all unvested restricted shares granted on April 27, 2016 and August 29, 2016 held by Dr. Finer at the time that such termination occurs will be accelerated in full and deemed to have vested as of the later of the date of his termination of service or the date of such Change of Control. Dr. Finer’s benefits are conditioned, among other things, on his compliance with his post-termination obligations under his employment agreement and his execution of a general release of claims in our favor.

Further, pursuant to Dr. Finer’s amended and restated agreement, if payments payable to Dr. Finer constitute “parachute payments” under Section 280G of the Code and are subject to the excise tax under Section 4999 of the Code, then such payments will either (1) be paid in full or (2) reduced so that the Section 4999 excise tax does not apply, whichever results in the greater after-tax economic benefit to Dr. Finer.

MPM/UBS Royalty Agreements

We have entered into a royalty transfer agreement with MPM Oncology Charitable Foundation, Inc., or MPM Charitable Foundation, and UBS Optimus Foundation, or the Royalty Transfer Agreement. MPM Charitable Foundation is affiliated with MPM Capital, Inc., a holder of more than 5% of our capital stock. UBS Optimus Foundation is affiliated with UBS Oncology Impact Fund L.P., a holder of more than 5% of our capital stock. Under the Royalty Transfer Agreement, we are obligated to pay MPM Charitable Foundation and UBS Optimus Foundation a royalty of 1% in aggregate of net sales of our products. Under the Royalty Transfer Agreement, our obligation to pay a royalty expires on a product-by-product and country-by-country basis upon the later of the 12th anniversary of the first commercial sale of such product in such country and expiration of the last valid claim in such country covering such product. The royalty rate is subject to a specified reduction for lack of any valid claim covering such product in a country. The obligation to pay royalties under the Royalty Transfer Agreement shall not apply to any product that would only infringe our intellectual property rights that are discovered or developed after this offering or to any product of an acquirer, assignee of the agreement or merger partner of the company so long as such product does not incorporate any of our pre-acquisition intellectual property.

Additionally, we have entered into a Royalty Direction Letter with MPM Charitable Foundation, UBS Optimus Foundation and UBS Oncology Impact Fund L.P., or UBS OIF, pursuant to which we agreed that a portion of the consideration received from UBS OIF in our Series A convertible preferred stock financing was to be treated as consideration for the Royalty Transfer Agreement. Affiliates of MPM Capital and UBS OIF that own shares of our preferred and common stock hold interests in MPM Charitable Foundation and UBS Optimus Foundation.
MPM Management Patent Assignment Agreement

We have entered into a patent assignment agreement with MPM Asset Management LLC, or MPM Management, which along with its affiliated entities is a holder of more than 5% of our capital stock. Under the patent assignment agreement with MPM Management, or the Patent Assignment Agreement, MPM Management assigned to us a certain patent family that is not related to any of our material product candidates or compounds.

Under the terms of the Patent Assignment Agreement, we are obligated to make one regulatory milestone payment of $1.0 million. We are also obligated to pay a less than one digit royalty on net sales of licensed products. The obligation to pay royalties under the Patent Assignment Agreement expires on a product-by-product and country-by-country basis upon the expiry of the last valid claim of the assigned patents covering the composition of matter of such product, or the method of making or using such product, in such country.

Private Placements of Securities

Series B Preferred Stock Financing

On a series of dates in August 2019, November 2019 and September 2020, we sold an aggregate of 104,225,300 shares of our Series B convertible preferred stock in multiple closings at a purchase price of $0.8597 per share for an aggregate amount of $89.6 million. Upon the closing of our IPO in October 2020, all 104,225,300 shares of our Series B convertible preferred stock automatically converted into our common stock on a one-to-0.0827 basis. The following table summarizes purchases of our Series B convertible preferred stock by related persons:

<table>
<thead>
<tr>
<th>STOCKHOLDER</th>
<th>SHARES OF SERIES B PREFERRED STOCK</th>
<th>TOTAL PURCHASE PRICE ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cowen Healthcare Investments II LP and affiliated entities (1)</td>
<td>14,539,956</td>
<td>12,500,000</td>
</tr>
<tr>
<td>Perceptive Life Sciences Master Fund, Ltd. (2)</td>
<td>11,631,963</td>
<td>9,999,998</td>
</tr>
<tr>
<td>Entities affiliated with MPM Capital (3)</td>
<td>9,379,588</td>
<td>8,063,632</td>
</tr>
<tr>
<td>UBS Oncology Impact Fund L.P. (4)</td>
<td>8,466,660</td>
<td>7,278,788</td>
</tr>
<tr>
<td>Entities affiliated with Deerfield Management Company (5)</td>
<td>7,349,283</td>
<td>6,318,179</td>
</tr>
<tr>
<td>Arkin Bio Ventures Limited Partnership (6)</td>
<td>3,383,843</td>
<td>2,909,089</td>
</tr>
<tr>
<td>Entities affiliated with Kensington-SV Global Innovations LP (7)</td>
<td>2,907,988</td>
<td>2,499,997</td>
</tr>
<tr>
<td>Spencer Nam (8)</td>
<td>23,263</td>
<td>19,999</td>
</tr>
</tbody>
</table>

(1) Consists of 13,545,384 shares of Series B preferred stock purchased by Cowen Healthcare Investments II LP and 994,572 shares of Series B preferred stock purchased by CHI EF II LP. Entities affiliated with Cowen Healthcare Investments II LP collectively hold more than 5% of our capital stock prior to this offering.

(2) Perceptive Advisors LLC serves as the investment manager to Perceptive Life Sciences Master Fund, Ltd. and may be deemed to beneficially own the shares held by Perceptive Life Sciences Master Fund, Ltd. The managing member of Perceptive Advisors LLC is Joseph Edelman. Perceptive Life Sciences Master Fund, Ltd. is a holder of more than 5% of our capital stock prior to this offering.


(4) Consists of 2,449,761 shares of Series B preferred stock purchased by each of Deerfield HIF, Deerfield PDF III and Deerfield Partners, L.P. or Deerfield Partners. Cameron Wheeler, Ph.D. is a member of our board of directors and is an affiliate of Deerfield Management Company, of which Deerfield HIF, Deerfield PDF III and Deerfield Partners are affiliated funds. Entities affiliated with Deerfield Management Company collectively hold more than 5% of our capital stock prior to this offering.

(5) Consists of 1,744,793 shares of Series B preferred stock purchased by SV Global Bio Healthcare Fund II and 1,163,195 shares of Series B preferred stock purchased by SV Investment Corp. Spencer Nam is a member of our board of directors and is an affiliate of Kensington-SV Global Innovations LP of which SV Global Bio Healthcare Fund II and SV Investment Corp are affiliated funds.

(6) Spencer Nam is a member of our board of directors.
Investor Rights and Stockholders Agreements

In connection with our convertible preferred stock financings, we entered into amended and restated investor rights and stockholder agreements containing registration rights, information rights and rights of first refusal, among other things, with certain holders of our convertible preferred stock and certain holders of our common stock. These stockholder agreements terminated upon the closing of our IPO in October 2020, except for the registration rights granted under our third amended and restated investor rights agreement dated August 5, 2019 between us and the investors listed therein, as more fully described in the section of this prospectus titled “Description of Capital Stock—Registration Rights.”

Voting Agreement

Prior to our IPO in October 2020, the election of the members of our board of directors was governed by a voting agreement with certain of the holders of our outstanding capital stock, including Cowen Healthcare Investments II LP and its affiliated entities, Perceptive Life Sciences Master Fund, Ltd., MPM BioVentures 2014 and Deerfield Management Company, L.P. Under the terms of this voting agreement, as amended and restated, the stockholders who were party to the voting agreement agreed to vote their respective shares so as to elect as directors: (1) one director designated by the holders of a majority of our outstanding common stock (not including shares issued or issuable upon conversion of preferred stock), subject to specified conditions, which director was Mitchell Finer, Ph.D. immediately prior to our IPO; (2) one independent director designated by MPM BioVentures 2014, subject to specified conditions, which director was Spencer Nam immediately prior to our IPO; (3) one director jointly designated by Cowen Healthcare Investments II LP and Perceptive Life Sciences Master Fund, Ltd., subject to specified conditions, which director was Robert Kirkman, M.D. immediately prior to our IPO; (4) the person serving as our Chief Executive Officer, which director was Theodore (Ted) Ashburn, M.D., PhD. immediately prior to our IPO; (5) one director designated by MPM BioVentures 2014, subject to specified conditions, which director was Luke Evnin, Ph.D. immediately prior to our IPO; (6) one director designated by UBS OIF, subject to specified conditions, which director was Briggs Morrison, M.D. immediately prior to our IPO; and (7) one director designated by Deerfield HIF, subject to specified conditions, which director was Cameron Wheeler, Ph.D. The voting agreement terminated upon the closing of our IPO in October 2020.

Employment Arrangements

We have entered into employment agreements or offer letter agreements with certain of our executive officers. For more information regarding these agreements with our named executive officers, see “Executive Compensation—Agreements with our Named Executive Officers.”

Severance Arrangements

The employment agreements and offer letter agreements we have entered into with certain of our executive officers provide for certain severance arrangements. For more information regarding these arrangements with our named executive officers, see “Executive Compensation—Potential Payments upon Termination or Change of Control.”

Indemnification Agreements

We have entered, and intend to continue to enter, into indemnification agreements with each of our directors and executive officers. The indemnification agreements that are currently in place and our amended and restated bylaws, require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. For more information regarding these agreements, see “Executive Compensation—Limitations on Liability and Indemnification Matters.”

Executive and Director Compensation

We have granted stock options and restricted stock awards to certain of our executive officers and directors. See the section titled “Executive Compensation” for a description of these stock options and restricted stock awards.

Related Person Transaction Policy

We maintain a written related person transaction policy that sets forth our procedures for the identification, review, consideration and approval or ratification of related person transactions. The policy became effective on October 6,
For purposes of our policy only, a related person transaction is a transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we and any related person are, were or will be participants and in which the amount involved exceeds $120,000. Transactions involving compensation for services provided to us as an employee or director are not covered by this policy. A related person is any executive officer, director or beneficial owner of more than 5% of any class of our voting securities, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, if a transaction has been identified as a related person transaction, including any transaction that was not a related person transaction when originally consummated or any transaction that was not initially identified as a related person transaction prior to consummation, our management must present information regarding the related person transaction to our audit committee, or, if audit committee approval would be inappropriate, to another independent body of our board of directors, for review, consideration and approval or ratification. The presentation must include a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to us of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to or from employees generally. Under the policy, we will collect information that we deem reasonably necessary from each director, executive officer and, to the extent feasible, significant stockholder to enable us to identify any existing or potential related-person transactions and to effectuate the terms of the policy.

In addition, under our Code of Ethics, our employees and directors have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

In considering related person transactions, our audit committee, or other independent body of our board of directors, will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director’s independence in the event that the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify or reject a related person transaction, our audit committee, or other independent body of our board of directors, must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, our best interests and those of our stockholders, as our audit committee, or other independent body of our board of directors, determines in the good faith exercise of its discretion.

All of the transactions described above were entered into prior to the adoption of the written policy, but all were approved by our board of directors considering similar factors to those described above.
### PRINCIPAL STOCKHOLDERS

The following table sets forth the beneficial ownership of our common stock as of December 31, 2020, as adjusted to reflect the sale of common stock offered by us in this offering, for:

- each person, or group of affiliated persons, who is 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 executive officers and directors as a group.

The percentage ownership information shown in the table prior to this offering is based on 22,617,938 shares of common stock outstanding as of December 31, 2020, which includes 17,236 shares of our common stock subject to forfeiture and our right of repurchase.

The percentage ownership information shown in the table after this offering is based on 25,617,938 shares of common stock to be outstanding, assuming the sale of 3,000,000 shares of our common stock by us in this offering and no exercise of the underwriters’ option to purchase additional shares.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options or warrants that are exercisable on or before March 1, 2021, which is 60 days after December 31, 2020. These shares are deemed to be outstanding and beneficially owned by the person holding those options or warrants 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. 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.
Except as otherwise noted below, the address for persons listed in the table is c/o Oncorus, Inc., 50 Hampshire Street, Suite 401, Cambridge, Massachusetts 02139.

### Table of Contents

**Spencer Nam**  
Robert Kirkman, M.D.  
Mary Kay Fenton  
Luke Evnin, Ph.D.  
Mitchell Finer, Ph.D.  
Scott Canute  
Steve Harbin  
Christophe Quéva, Ph.D.  
Theodore (Ted) Ashburn, M.D., PhD.

**Named executive officers and directors:**

Theodore (Ted) Ashburn, M.D., PhD.  
Christophe Quéva, Ph.D. (6)  
Steve Harbin(7)  
Scott Canute(7)  
Mitchell Finer, Ph.D.(9)  
Luke Evnin, Ph.D. (10)  
Mary Kay Fenton (7)  
Robert Kirkman, M.D. (7)  
Spencer Nam (11)  
Briggs Morrison, M.D. (7)  
Cameron Wheeler, Ph.D.  

All current executive officers and directors as a group (13 persons) (12)  

### 5% or greater stockholders:

- Entities affiliated with Deerfield Management Company (1): 2,848,970  
- Entities affiliated with MPM Capital (3): 2,718,343  
- UBS Oncology Impact Fund L.P.(3): 2,252,953  
- Perceptive Life Sciences Master Fund, Ltd. (4): 1,989,989  
- Cowen Healthcare Investments II LP and affiliated entities (5): 1,202,904

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<th>NAME OF BENEFICIAL OWNER</th>
<th>NUMBER OF SHARES BENEFICIALLY OWNED</th>
<th>PERCENTAGE OF SHARES BENEFICIALLY OWNED</th>
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* Represents beneficial ownership of less than 1%.

**Notes:**

1. Consists of (i) 1,268,344 shares of common stock held by Deerfield Healthcare Innovations Fund, L.P., or Deerfield HIF, (ii) 1,268,344 shares of common stock held by Deerfield Private Design Fund III, L.P., or Deerfield PDF III, and (iii) 312,282 shares of common stock held by Deerfield Partners, L.P., or Deerfield Partners. Deerfield Mgmt HIF, L.P. is the general partner of Deerfield HIF. Deerfield Mgmt, L.P. is the general partner of Deerfield Partners. Deerfield Mgmt III, L.P. is the general partner of Deerfield PDF III (collectively with Deerfield HIF and Deerfield SSF, the Deerfield Funds). Deerfield Management Company, L.P. is the investment manager of each of the Deerfield Funds. Mr. James E. Flynn is the sole member of the general partner of each of Deerfield Mgmt HIF, L.P., Deerfield Mgmt, L.P., Deerfield Mgmt III, L.P., and Deerfield Management Company, L.P. L.P. Deerfield Mgmt HIF, L.P. may be deemed to beneficially own the shares held by Deerfield HIF. Deerfield Mgmt, L.P. may be deemed to beneficially own the shares held by Deerfield Partners. Deerfield Mgmt III, L.P. may be deemed to beneficially own the shares held by Deerfield PDF III. Each of Deerfield Management Company, L.P. and Mr. James E. Flynn may be deemed to beneficially own the securities held by the Deerfield Funds. The address of the Deerfield Funds is 780 Third Avenue, 37th Floor, New York, NY 10017.

2. Consists of (i) 73,200 shares of common stock and warrants to purchase 892 shares of common stock exercisable within 60 days of December 31, 2020, in each case held by MPM Asset Management Investors BV2014 LLC, or MPM AMI BV2014, (ii) 43,427 shares of common stock and warrants to purchase 2,016 shares of common stock exercisable within 60 days of December 31, 2020, in each case held by MPM Asset Management Investors SunStates Fund LLC, or MPM AMI SunStates Fund, (iii) 15,023 shares of common stock held by MPM Asset Management LLC, or MPM Management, (iv) 134,587 shares of common stock and warrants to purchase 1,641 shares of common stock exercisable within 60 days of December 31, 2020, in each case held by MPM BioVentures 2014 (B), L.P., or MPM BioVentures 2014 (B), (v) 2,018,008 shares of common stock and warrants to purchase 24,611 shares of common stock exercisable within 60 days of December 31, 2020, in each case held by MPM BioVentures 2014, L.P., or MPM BioVentures 2014, and (vi) 290,633 shares of common stock and warrants to purchase 13,495 shares of common stock exercisable within 60 days of December 31, 2020, in each case held by MPM SunStates Fund, L.P., or MPM SunStates Fund. MPM BioVentures 2014 GP LLC is the general partner of MPM BioVentures 2014 and MPM BioVentures 2014 (B). MPM BioVentures 2014 LLC is the managing member of MPM BioVentures 2014 GP LLC. MPM SunStates Fund GP LLC is the general partner of MPM SunStates Fund. MPM SunStates GP Managing Member LLC is the managing member of MPM SunStates Fund GP LLC. MPM BioVentures 2014 was retained as a manager to manage the operations of MPM BioVentures 2014, MPM BioVentures 2014 (B), MPM AMI BV2014 LLC, MPM SunStates Fund, and MPM AMI SunStates Fund. Dr. Evnin, a member of our board of directors, Dr. Ansbert Gadicker and Todd Foley are the members of MPM BioVentures 2014 LLC and share voting and dispositive power over the shares held by each of MPM BioVentures 2014, MPM BioVentures 2014 (B) and MPM AMI BV2014. Dr. Evnin and Dr. Gadicker are the members of MPM Management and share voting and dispositive power over the shares held by MPM Management. Dr. Gadicker is a member of MPM SunStates GP Managing Member LLC, and collectively with the other members of such entity makes investment decisions with respect to shares held by such entity. Each of the entities and individuals listed above expressly disclaims beneficial ownership of the securities listed above except to the extent of any pecuniary interest therein. The address of these entities and individuals is 450 Kendall Street, Cambridge, MA 02142.
Consists of (i) 2,225,807 shares of common stock and (ii) a warrant to purchase 27,146 shares of common stock exercisable within 60 days of December 31, 2020, in each case held by UBS Oncology Impact Fund, L.P, or UBS OIF. The general partner of UBS OIF is Oncology Impact Fund (Cayman) Management L.P. The general partner of Oncology Impact Fund (Cayman) Management L.P. is MPM Oncology Impact Management LP. The general partner of MPM Oncology Impact Management LP is MPM Oncology Impact Management GP LLC. Dr. Ansbert Gadicke is a managing member and the managing director of MPM Oncology Impact Management GP LLC. Each of the entities and individuals listed above expressly disclaims beneficial ownership of the securities listed above except to the extent of any pecuniary interest therein. The address of UBS OIF and Oncology Impact Fund (Cayman) Management LP is UBS Trustees (Cayman) Ltd, 5th Floor, Cayman Corporate Center, 27 Hospital, George Town, Grand Cayman, KY1-1106. The address of MPM Oncology Impact Management LP, MPM Oncology Impact Management GP LLC and the individuals referenced above is 450 Kendall Street, Cambridge, MA 02142.

Perceptive Advisors LLC serves as the investment manager to Perceptive Life Sciences Master Fund, Ltd. and may be deemed to beneficially own the shares held by Perceptive Life Sciences Master Fund, Ltd. The managing member of Perceptive Advisors LLC is Joseph Edelman. The address of Perceptive Life Sciences Master Fund, Ltd. is c/o Perceptive Advisors LLC, 51 Astor Place, 10th Floor, New York, New York 10003.

Consists of (i) 1,120,623 shares of common stock held by Cowen Healthcare Investments II, LP, or Cowen II, and (ii) 82,281 shares of common stock held by CHI EF II LP. CHI Advisors LLC, the investment adviser of Cowen II and CHI EF II LP, has voting and investment power with respect to the shares held by each of Cowen II and CHI EF II LP. The address for Cowen II and CHI EF II LP is c/o CHI Advisors LLC, 599 Lexington Avenue, New York, New York 10022.

Consists of (i) 18,446 shares of common stock held by Dr. Ashburn and (ii) 328,724 shares of common stock issuable upon the exercise of options granted to Dr. Ashburn that are exercisable within 60 days of December 31, 2020.

Consists of shares of common stock issuable upon the exercise of options that are exercisable within 60 days of December 31, 2020.

Consists of (i) 82,730 shares of common stock held by Dr. Quéva, of which 13,789 shares are subject to forfeiture and our repurchase upon Dr. Quéva’s cessation of service prior to vesting, and (ii) 75,981 shares of common stock issuable upon the exercise of options granted to Dr. Quéva that are exercisable within 60 days of December 31, 2020.

Consists of (i) 303,726 shares of common stock held by Dr. Finer and (ii) 59,679 shares of common stock issuable upon the exercise of options granted to Dr. Finer that are exercisable within 60 days of December 31, 2020.

Dr. Evin is a member of MPM BioVentures 2014 LLC and MPM Management and shares voting and dispositive power over the shares held by each of MPM BioVentures 2014, MPM BioVentures 2014 (B), MPM AMI BV2014 and MPM Management, as described above in footnote (2).

Consists of (i) 1,924 shares of common stock and (ii) 2,206 shares of common stock issuable upon the exercise of options granted to Mr. Nam that are exercisable within 60 days of December 31, 2020.

Consists of (i) 2,759,882 shares of common stock (of which 13,789 shares are subject to a right of repurchase in our favor upon the cessation of service prior to vesting) and (ii) 697,959 shares of common stock issuable upon the exercise of options granted to our executive officers and directors that are exercisable within 60 days of December 31, 2020.
DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock, certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws and certain provisions of Delaware law are summaries. You should also refer to the amended and restated certificate of incorporation and the amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is part. We refer in this section to our amended and restated certificate of incorporation and amended and restated bylaws as our certificate of incorporation and bylaws, respectively.

General

Our certificate of incorporation authorizes us to issue up to 100,000,000 shares of common stock, $0.0001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share, all of which shares of preferred stock are undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

As of December 31, 2020, there were 22,617,938 shares of common stock issued and outstanding held of record by 64 stockholders. As of December 31, 2020, there were 2,790,746 shares of common stock issuable upon the exercise of outstanding options.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Under our certificate of incorporation and bylaws, our stockholders do not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of 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 and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Preferred Stock

Our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 10,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. As of
December 31, 2020, no shares of preferred stock were outstanding, and we have no present plan to issue any shares of preferred stock.

Options
As of December 31, 2020, options to purchase an aggregate of 2,790,746 shares of common stock were outstanding under our equity incentive plans at a weighted average exercise price of $8.13 per share. See “Executive Compensation—Equity Incentive Plans” for additional information regarding the terms of our equity incentive plans.

Warrants
As of December 31, 2020, there were outstanding warrants to purchase an aggregate of 71,544 shares of our common stock at a weighted average exercise price of $1.21 per share, held by nine holders. These warrants expire on March 31, 2031. These warrants contain provisions for the adjustment of the exercise price and the number of shares issuable upon the exercise of the applicable warrant in the event of certain stock dividends, stock splits, reorganizations, reclassifications and consolidations. The warrants also contain net exercise provisions pursuant to which the holder may, in lieu of paying the exercise price in cash, surrender the applicable warrant and receive a net amount of shares based on the fair market value of our stock at the time of exercise after deducting the aggregate exercise price.

Registration Rights
Certain holders of shares of our common stock, including all of our former preferred stockholders prior to our IPO, are entitled to certain rights with respect to registration of their respective shares or common stock under the Securities Act pursuant to the terms of an amended and restated investor rights agreement by and among us and certain of our stockholders. These shares are collectively referred to herein as registrable securities.

The amended and restated investor rights agreement provides the holders of registrable securities with demand, piggyback and S-3 registration rights as described more fully below. Under the terms of the investor rights agreement, holders of registrable securities will have equivalent registration rights with respect to any additional shares of our common stock acquired by these holders.

Demand Registration Rights
At any time beginning March 30, 2021, the holders of at least 35% of the registrable securities then outstanding have the right to make up to two demands that we file a registration statement under the Securities Act, subject to specified conditions and exceptions.

Piggyback Registration Rights
If we register any securities for public sale, the holders of our registrable securities then outstanding will each be entitled to notice of the registration and will have the right to include their shares in the registration statement, subject to specified exceptions. The underwriters of any underwritten offering will have the right to limit the number of shares having registration rights to be included in such registration statement, but not below 35% of the total amount of securities included in such registration.

Registration on Form S-3
If we are eligible to file a registration statement on Form S-3, the holders of at least 15% of our registrable securities have the right to demand that we file registration statements on Form S-3, provided that the aggregate amount of securities to be sold under the registration statement is at least $1.0 million, net of underwriting discounts and commissions and specified expenses. We are not obligated to effect a demand for registration on Form S-3 by holders of our registrable securities more than three times during any 12-month period. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

Expenses of Registration
We will pay all expenses relating to any demand, piggyback or Form S-3 registration, other than underwriting discounts and commissions, subject to specified conditions and limitations.
Termination of Registration Rights
The demand, piggyback and Form S-3 registration rights described above will terminate on the earliest to occur of (1) the three-year anniversary of October 6, 2020 and (2) with respect to each stockholder, at such time as Rule 144 under the Securities Act or another similar exemption is available for the sale of all of such holder’s shares without limitation during a three-month period without registration.

Anti-Takeover Provisions

Anti-Takeover Statute
We are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a publicly held 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 (1) by persons who are directors and also officers and (2) 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.

In general, 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; or
- 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.

Anti-Takeover Effects of Certain Provisions of our Certificate of Incorporation and Bylaws
Our certificate of incorporation provides for our board of directors to be divided into three classes with staggered three-year terms. Only one class of directors is elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the voting power of our shares of common stock outstanding will be able to elect all of our directors. The directors may be removed by the stockholders only for cause upon the vote of holders of 66 2/3% of the shares then entitled to vote at an election of directors. Furthermore, the authorized number of directors may be changed only by resolution of our board of directors, and vacancies and newly created directorships on our board of directors may, except as otherwise required by law or determined by our board, only be filled by a majority vote of the directors then serving on the board, even though less than a quorum. Our certificate of incorporation and bylaws provide that all stockholder actions must be effected at a duly called meeting of stockholders and not by a consent in writing. A special meeting of stockholders may be called only by a majority
of our whole board of directors, the chair of our board of directors or our chief executive officer. Our bylaws also provide that stockholders seeking
to present proposals before a meeting of stockholders to nominate candidates for election as directors at a meeting of stockholders must provide
timely advance notice in writing, and will specify requirements as to the form and content of a stockholder’s notice.

Our certificate of incorporation further provides that the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then
outstanding shares of voting stock, voting as a single class, is required to amend certain provisions of our certificate of incorporation, including
provisions relating to the structure of our board of directors, the size of the board, removal of directors, special meetings of stockholders, actions
by written consent and cumulative voting. The affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding
shares of voting stock, voting as a single class, is required to amend or repeal our bylaws, although our bylaws may be amended by a simple
majority vote of our whole board of directors.

The foregoing 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 our company by replacing our board of directors. Since 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 the control of our company.

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 certain types of transactions that may involve an actual or threatened acquisition of our company. These provisions are also designed
to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy rights. However, such
provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile
takeovers or delaying changes in control of our company or our management. As a consequence, these provisions also may inhibit fluctuations in
the market price of our stock that could result from actual or rumored takeover attempts.

Choice of Forum
Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware 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;
and (v) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine. 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 U.S.
federal courts have exclusive jurisdiction. Nothing in our amended and restated certificate of incorporation precludes stockholders that assert claims
under the Securities Act from bringing such claims in state or federal court, subject to applicable law. Our amended and restated certificate of
incorporation further provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a
cause of action under the Securities Act, unless we consent in writing to the selection of an alternative forum.

Transfer Agent and Registrar
The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent’s address is 250 Royall Street,
Canton, Massachusetts 02021.

Listing
Our common stock is listed on The Nasdaq Global Market under the trading symbol “ONCR.”
SHARES ELIGIBLE FOR FUTURE SALE

Future sales of substantial amounts of common stock in the public market, including shares issued upon exercise of outstanding options or warrants, or the perception that such sales may occur, could adversely affect the market price of our common stock and also could adversely affect our future ability to raise capital through the sale of our common stock or other equity-related securities at times and prices we believe appropriate.

Based on our shares outstanding as of December 31, 2020, upon the closing of this offering, 25,617,938 shares of our common stock will be outstanding, or 26,067,938 shares of common stock if the underwriters exercise in full their option to purchase additional shares. Of these shares, 21,109,696 shares are currently restricted, subject to certain specified exceptions, from sale as a result of lock-up agreements entered into in connection with our initial public offering, or IPO, and this offering, which are described below. Following the expiration of the lock-up agreements related to the IPO on March 30, 2021, an aggregate of 15,769,851 shares will become eligible for public sale on such date, subject to applicable securities laws. An additional 5,339,845 shares will remain subject to the lock-up agreements entered into in connection with this offering, which are due to expire 90 days after the date of this prospectus, and will result in such shares becoming eligible for public sale on such date, subject to applicable securities laws. Jefferies LLC, Evercore Group L.L.C. and Piper Sandler & Co. may release some or all of the shares of common stock subject to these lock-up agreements at any time in their sole discretion and without notice, which would allow for earlier sales of shares in the public market. All other outstanding shares may be freely sold in the public market at any time, subject to applicable securities laws, as described below.

Rule 144

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any of our affiliates who owns restricted 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 the Securities Act.

Non-Affiliates

Any person who is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding, a sale may sell an unlimited number of restricted securities under Rule 144 if:

- the restricted securities have been held for at least six months, including the holding period of any prior owner other than one of our affiliates;
- we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale; and
- we are current in our Exchange Act reporting at the time of sale.

Any person who is not deemed to have been an affiliate of ours at the time of, or at any time during the three months preceding, a sale and has held the restricted securities for at least one year, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell an unlimited number of restricted securities without regard to the length of time we have been subject to Exchange Act periodic reporting or whether we are current in our Exchange Act reporting.

Affiliates

Persons seeking to sell restricted securities who are our affiliates at the time of, or at any time during the three months preceding, a sale, would be subject to the restrictions described above. They are also subject to additional restrictions, by which such person would be required to comply with the manner of sale and notice provisions of Rule 144 and would be entitled to sell within any three-month period only that number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 256,179 shares immediately after the closing of this offering; or
- the average weekly trading volume of our common stock on The Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.
Form S-8 Registration Statements

We have filed a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding awards and reserved for future issuance under the 2016 Equity Incentive Plan, as amended, the 2020 Equity Incentive Plan and the 2020 Employee Share Purchase Plan as of December 31, 2020. We intend to file an additional registration statement on Form S-8 to register the additional 1,130,896 shares of our common stock that were reserved for future issuance pursuant to the 2020 Plan on January 1, 2021 in accordance with the terms of the 2020 Plan. See “Executive Compensation—Equity Incentive Plans” for a description of our equity incentive plans. These registration statements become effective immediately upon filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

Lock-Up Agreements

In connection with our IPO, we and each of our directors and executive officers and holders of substantially all of our outstanding equity securities entered into lock-up agreements. We and each of our directors and executive officers and certain of our stockholders entered into additional lock-up agreements in connection with this offering. In each case, we and they agreed that, without the prior written consent of Jefferies LLC, Evercore Group L.L.C. and Piper Sandler & Co., on behalf of the underwriters, we and they will not, subject to limited exceptions, during the period ending on March 30, 2021 with respect to the lock-up agreements related to our IPO, and during the period ending 90 days after the date of this prospectus with respect to the lock-up agreements related to this offering, subject to extension in specified circumstances, offer for sale, sell, contract to sell, grant any option for the sale of, transfer or otherwise dispose of any shares of our common stock, options or warrants to acquire shares of our common stock or any security or instrument related to our common stock, or enter into any swap, hedge or other arrangement that transfers any of the economic consequences of ownership of our common stock. See the section of this prospectus titled “Underwriters” for additional information.

Registration Rights

Based on our common stock outstanding as of December 31, 2020, the holders of 10,177,927 shares of common stock following the expiration of the lock-up agreements entered into in connection with the IPO, and the holders of an additional 4,903,419 shares of common stock and 9,927 shares of our common stock issuable upon exercise of outstanding options following the expiration of the lock-agreements entered into in connection with this offering, 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 tradeable without restriction under the Securities Act. See the section of this prospectus titled “Description of Capital Stock—Registration Rights” for additional information.
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following summary describes 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 or the alternative minimum tax, 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, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service, or the IRS, all as in effect on the date of this prospectus. 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 an individual holder in light of such holder's particular 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;
- "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;
- persons subject to special tax accounting rules under Section 451(b) of the Code;
- persons that have a functional currency other than the U.S. dollar;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons that own or have owned, actually or constructively, more than 5% of our common stock;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. 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. holder” or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes regardless of its place of organization or formation. A U.S. holder 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 (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized 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 (1) 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 (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

If we distribute cash or other property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent distributions on our common stock, if any, exceed our current and accumulated earnings and profits, they will first reduce the non-U.S. holder’s adjusted tax basis in our common stock, but not below zero, and then will be treated as gain and taxed in the same manner as gain realized from a sale or other disposition of our common stock as described under “—Gain On Disposition of Our Common Stock” below.

Subject to the discussions below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our withholding agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such holder’s qualification for the reduced rate. This certification must be provided to us or our withholding agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds our common stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder’s U.S. trade or business (and are attributable to such holder’s permanent establishment or fixed base 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, certifying that the dividends are effectively connected with the non-U.S. holder’s conduct of trade or business within the United States.

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 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. 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 or fixed base 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, or a 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 during the calendar year in which the sale or other disposition occurs.

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 we 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. There can be no assurance that our common stock will qualify as regularly traded on an established securities market for this purpose.

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. Gain described in the third bullet point above will generally be subject to U.S. federal income tax in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to any provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our common stock paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required because the dividends 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, IRS Form W-8BEN-E or IRS Form W-8ECI, 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 who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder’s U.S. federal income tax liability, if any.
Withholding on Foreign Entities

Sections 1471 through 1474 of the Code, which are commonly referred to as FATCA, impose a U.S. federal withholding tax of 30% on certain payments made to a “foreign financial institution” (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose 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 and, subject to the proposed Treasury Regulations described below, to gross proceeds from sales or other dispositions of our common stock. Under proposed Treasury regulations, the preamble to which states that taxpayers may rely on them, this withholding tax will not apply to the proceeds from a sale or other disposition of common stock.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.
UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated the date of this prospectus, among us, Jefferies LLC, Evercore Group L.L.C. and Piper Sandler & Co., as the representatives of the underwriters named below and the joint book-running managers of this offering, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us the respective number of shares of common stock shown opposite its name below:

<table>
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<tr>
<th>UNDERWRITER</th>
<th>NUMBER OF SHARES</th>
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<tr>
<td>Jefferies LLC</td>
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<tr>
<td>Evercore Group L.L.C.</td>
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<td>Piper Sandler &amp; Co.</td>
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<tr>
<td>Total</td>
<td>3,000,000</td>
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</table>

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers’ certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares of common stock if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that, following the completion of this offering, they currently intend to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the shares of common stock subject to their acceptance of the shares of common stock from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Commission and Expenses

The underwriters have advised us that they propose to offer the shares of common stock to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of $ per share of common stock. After the offering, the public offering price and concession to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.
The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase additional shares.

<table>
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<th>PER SHARE</th>
<th>TOTAL</th>
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<tr>
<td>WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES</td>
<td>WITH OPTION TO PURCHASE ADDITIONAL SHARES</td>
</tr>
<tr>
<td>Public offering price</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions paid by us</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds to us, before expenses</td>
<td>$</td>
</tr>
</tbody>
</table>

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $0.6 million. We have also agreed to pay the filing fees incident to, and the fees and disbursements of counsel for the underwriters in connection with the required review by the Financial Industry Regulatory Authority, Inc. in an amount up to $25,000.

Listing

Our common stock is listed on The Nasdaq Global Market under the trading symbol “ONCR”.

Stamp Taxes

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of 450,000 shares from us at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter’s initial purchase commitment as indicated in the table above. This option may be exercised only if the underwriters sell more shares than the total number set forth on the cover page of this prospectus.

No Sales of Similar Securities

In connection with our initial public offering, we, our officers, directors and holders of substantially all of our common stock agreed with the underwriters, subject to certain exceptions, not to, directly or indirectly, sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open “put equivalent position” within the meaning of Rule 16a-l(h) under the Securities Exchange Act of 1934, as amended, or otherwise dispose of any shares of common stock, options, warrants to acquire shares of common stock, or securities exchangeable or exercisable into shares of common stock owned either of record or beneficially, or publicly announce the intention to do any of the foregoing until March 30, 2021, except with the prior written consent of Jefferies LLC, Evercore Group L.L.C. and Piper Sandler & Co.

In addition, we and our officers, directors and certain holders of our outstanding capital stock and other securities have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open “put equivalent position” within the meaning of Rule 16a-l(h) under the Securities Exchange Act of 1934, as amended, or
otherwise dispose of any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock currently or hereafter owned either of record or beneficially, or publicly announce an intention to do any of the foregoing for a period of 90 days after the date of this prospectus without the prior written consent of the representatives.

This restriction terminates after the close of trading of the common stock on and including the 90th day after the date of this prospectus.

Representatives may, in their sole discretion and at any time or from time to time before the termination of the 90-day period release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our stockholders who will execute a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

**Stabilization**

The underwriters have advised us that they, pursuant to Regulation M under the Securities Exchange Act of 1934, as amended, certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either “covered” short sales or “naked” short sales.

“Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out 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 shares through the option to purchase additional shares.

“Naked” short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any 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 shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the common stock. A syndicate covering transaction is the bid for or the purchase of shares of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

The underwriters may also engage in passive market making transactions in our common stock on The Nasdaq Global Market in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of shares of our common stock in this offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker’s bid, that bid must then be lowered when specified purchase limits are exceeded.
Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their respective customers, and such investment and securities activities may involve securities and/or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the common stock offered hereby. Any such short positions could adversely affect future trading prices of the common stock offered hereby. The underwriters and certain of 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 securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Disclaimers About Non-U.S. Jurisdictions

Canada

Resale Restrictions

The distribution of shares of our common stock in Canada is being made only in the provinces of Ontario, Quebec, Alberta, Manitoba, New Brunswick and Nova Scotia British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the shares of common stock in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers

By purchasing shares of common stock in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the shares of common stock without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106—Prospectus Exemptions or Section 73.3(1) of the Securities Act (Ontario), as applicable,
- the purchaser is a “permitted client” as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations,
Conflicts of Interest
Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—Underwriting Conflicts from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action
Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) such as this document 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 of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights
All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment
Canadian purchasers of shares of common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares of common stock in their particular circumstances and about the eligibility of the shares of common stock for investment by the purchaser under relevant Canadian legislation.

Australia
This Offering Memorandum is not a disclosure document for the purposes of Australia’s Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this Offering Memorandum in Australia:

You confirm and warrant that you are either:

- a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with the Company under Section 708(12) of the Corporations Act; or
- a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this Offering Memorandum is void and incapable of acceptance.

You warrant and agree that you will not offer any of the securities issued to you pursuant to this Offering Memorandum for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area
In relation to each Member State of the European Economic Area (each, a “Relevant State”), no 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 have 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.
State, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant State at any time:

- to any legal entity which is a “qualified investor” as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the underwriters or the underwriters nominated by us for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of common shares shall require us or any of the representatives 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 common shares to the public” in relation to the common 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 the common shares to be offered so as to enable an investor to decide to purchase or subscribe to the common shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong
No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“SFO”) and any rules made under that Ordinance; or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong (“CO”) or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO. No document, invitation or advertisement relating to the securities has been issued or 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 of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

This Offering Memorandum has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this Offering Memorandum may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this Offering Memorandum and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Israel
This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israeli Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan
The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended), or FIEL, and the Initial Purchaser will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to
others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Offering Memorandum has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum 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 under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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.

Where the notes 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; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Offering Memorandum has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the offering, the Company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Memorandum will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.
United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
(c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the shares shall require the Issuer or any Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the 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 “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Boston, Massachusetts.
Certain legal matters will be passed upon for the underwriters by Wilmer Cutler Pickering Hale and Dorr LLP, New York, New York.
Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements as of December 31, 2018 and 2019, and for each of the two years in the period ended December 31, 2019, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company’s ability to continue as a going concern as described in Note 1 to the consolidated financial statements) appearing elsewhere herein. 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 under the Securities Act, with respect to the shares of common stock being offered by this prospectus, which constitutes a part of the registration statement. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the internet at the SEC’s website at www.sec.gov.

We are subject to the information reporting requirements of the Exchange Act, and we file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information are be available over the internet at the SEC’s web site referred to above. We also maintain a website at www.oncorus.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. However, the information contained in or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and investors should not rely on such information in making a decision to purchase our common stock in this offering.
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**ONCORUS, INC.**

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<th>Description</th>
<th>Pages</th>
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<tr>
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<td>F-32</td>
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F-1
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Oncorus, Inc.

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of Oncorus, Inc. (the Company) as of December 31, 2018 and 2019, the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders’ (deficit) equity and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2018 and 2019, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

The Company's Ability to Continue as a Going Concern
The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has recurring losses from operations, has limited financial resources, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Basis for Opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2017.
Boston, Massachusetts
July 29, 2020, except for Note 14(b), as to which the date is September 28, 2020
### ONCORUS, INC.

**Consolidated Balance Sheets**

(in thousands, except for par value data)

<table>
<thead>
<tr>
<th></th>
<th>DECEMBER 31, 2018</th>
<th>DECEMBER 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$20,079</td>
<td>$45,286</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>827</td>
<td>615</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$20,906</td>
<td>$45,901</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>4,300</td>
<td>4,475</td>
</tr>
<tr>
<td>Other assets</td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$25,656</td>
<td>$50,826</td>
</tr>
<tr>
<td><strong>Liabilities, redeemable convertible preferred stock and stockholders’ (deficit) equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$975</td>
<td>$942</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,290</td>
<td>3,521</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>423</td>
<td>467</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$2,696</td>
<td>$4,938</td>
</tr>
<tr>
<td>Series B tranche rights (Note 6)</td>
<td></td>
<td>$1,876</td>
</tr>
<tr>
<td>Deferred rent, net of current portion</td>
<td>2,144</td>
<td>1,677</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,840</td>
<td>8,491</td>
</tr>
<tr>
<td>Commitments and contingencies (Note 11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redeemable convertible preferred stock:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A-1 redeemable convertible preferred stock, $0.0001 par value, 77,000 and 76,500 shares authorized at December 31, 2018 and 2019, respectively; 76,500 shares issued and outstanding as of December 31, 2018 and 2019; liquidation preference of $63,739 as of December 31, 2019</td>
<td>60,893</td>
<td>63,494</td>
</tr>
<tr>
<td><strong>Total stockholders’ (deficit) equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>906</td>
<td></td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(40,983)</td>
<td>(74,297)</td>
</tr>
<tr>
<td><strong>Total stockholders’ (deficit) equity</strong></td>
<td>(40,077)</td>
<td>(74,297)</td>
</tr>
<tr>
<td><strong>Total liabilities, redeemable convertible preferred stock and stockholders’ (deficit) equity</strong></td>
<td>$25,656</td>
<td>$50,826</td>
</tr>
</tbody>
</table>

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

F-3
## ONCORUS, INC.

### Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>YEARS ENDED DECEMBER 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$12,541</td>
</tr>
<tr>
<td>General and administrative</td>
<td>6,037</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>18,578</td>
</tr>
<tr>
<td><strong>Loss from operations</strong></td>
<td>(18,578)</td>
</tr>
<tr>
<td><strong>Other income (expense):</strong></td>
<td></td>
</tr>
<tr>
<td>Change in fair value of Series A-1 and Series B tranche rights</td>
<td>363</td>
</tr>
<tr>
<td>Other expense</td>
<td>(59)</td>
</tr>
<tr>
<td>Interest income</td>
<td>228</td>
</tr>
<tr>
<td><strong>Total other income, net</strong></td>
<td>532</td>
</tr>
<tr>
<td><strong>Net loss and comprehensive loss</strong></td>
<td>$(18,046)</td>
</tr>
<tr>
<td>Accretion of discount and dividends on redeemable convertible preferred stock</td>
<td>(98)</td>
</tr>
<tr>
<td><strong>Net loss attributable to common stockholders</strong></td>
<td>$(18,144)</td>
</tr>
<tr>
<td><strong>Net loss per share attributable to common stockholders—basic and diluted</strong></td>
<td>$(22.88)</td>
</tr>
<tr>
<td><strong>Weighted-average number of common shares outstanding—basic and diluted</strong></td>
<td>793</td>
</tr>
<tr>
<td><strong>Pro forma net loss per share, basic and diluted (unaudited)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma weighted average common shares outstanding (unaudited)</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

F-4
## ONCORUS, INC.

### Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders’ (Deficit) Equity

*(in thousands, except share amounts)*

<table>
<thead>
<tr>
<th></th>
<th>SERIES A-1 REDEEMABLE CONVERTIBLE PREFERRED STOCK</th>
<th>SERIES B REDEEMABLE CONVERTIBLE PREFERRED STOCK</th>
<th>COMMON STOCK</th>
<th>ADDITIONAL PAID-IN CAPITAL</th>
<th>ACCUMULATED DEFICIT</th>
<th>TOTAL STOCKHOLDERS’ (DEFICIT) EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SHARES</td>
<td>AMOUNT</td>
<td>SHARES</td>
<td>AMOUNT</td>
<td>SHARES</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>Balance at December 31, 2017</td>
<td>46,068,750</td>
<td>$ 36,315</td>
<td>--</td>
<td>--</td>
<td>720,671</td>
<td>--</td>
</tr>
<tr>
<td>Issuance of Series A-1 preferred stock</td>
<td>30,599,992</td>
<td>24,480</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Accretion of Series A-1 preferred stock</td>
<td>--</td>
<td>98</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Conversion of Series A-1 preferred stock</td>
<td>(168,750)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>13,959</td>
<td>--</td>
</tr>
<tr>
<td>Vesting of restricted common stock</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>137,188</td>
<td>--</td>
</tr>
<tr>
<td>Exercise of options to purchase common stock</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>9,558</td>
<td>--</td>
</tr>
<tr>
<td>Net loss</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Balance at December 31, 2018</td>
<td>76,499,992</td>
<td>60,893</td>
<td>--</td>
<td>--</td>
<td>881,376</td>
<td>--</td>
</tr>
<tr>
<td>Issuance of Series B preferred stock</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>62,535,183</td>
<td>51,452</td>
</tr>
<tr>
<td>Series A-1 and Series B preferred stock dividends and accretion</td>
<td>--</td>
<td>2,601</td>
<td>--</td>
<td>1,686</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Vesting of restricted common stock</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>71,312</td>
<td>--</td>
</tr>
<tr>
<td>Exercise of options to purchase common stock</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>36,012</td>
<td>--</td>
</tr>
<tr>
<td>Net loss</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Balance at December 31, 2019</td>
<td>76,499,992</td>
<td>63,494</td>
<td>62,535,183</td>
<td>53,138</td>
<td>988,700</td>
<td>--</td>
</tr>
</tbody>
</table>

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

F-5
### ONCORUS, INC.
#### Consolidated Statements of Cash Flows
(In thousands)

<table>
<thead>
<tr>
<th>YEARS ENDED</th>
<th>DECEMBER 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(18,046)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>956</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>326</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value of Series A-1 and Series B tranche rights</td>
<td>(363)</td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(280)</td>
</tr>
<tr>
<td>Accounts payable and other current liabilities</td>
<td>823</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(197)</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(382)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(17,163)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(291)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(291)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from exercise of options to purchase common stock</td>
<td>22</td>
</tr>
<tr>
<td>Proceeds from issuance of Series A-1 preferred stock</td>
<td>24,480</td>
</tr>
<tr>
<td>Proceeds from issuance of Series B preferred stock and tranche liability</td>
<td>—</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>24,502</td>
</tr>
<tr>
<td>Increase in cash and cash equivalents</td>
<td>7,048</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>13,031</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$20,079</td>
</tr>
<tr>
<td><strong>Supplemental disclosure of non-cash investing and financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment in accrued expenses</td>
<td>$ —</td>
</tr>
<tr>
<td>Accretion of discount and dividends on preferred stock</td>
<td>$98</td>
</tr>
</tbody>
</table>

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

F-6
ONCORUS, INC.

Notes to Consolidated Financial Statements
(Information as of December 31, 2018 and 2019 and for the years then ended)

1. Nature of the Business and Liquidity

Oncorus, Inc. (the “Company”) is a biopharmaceutical company focused on developing next-generation viral immunotherapies to transform outcomes for cancer patients. Using its two platforms, the Company is developing a pipeline of intratumorally and intravenously administered product candidates designed to selectively attack and kill tumor cells.

The Company's operations to date have focused on organization and staffing, business planning, raising capital, acquiring and developing the Company's technology, establishing the Company's intellectual property portfolio, identifying potential product candidates and undertaking preclinical studies and manufacturing. The Company does not have any product candidates approved for sale and has not generated any revenue from product sales. The Company's product candidates are subject to long development cycles and the Company may be unsuccessful in its efforts to develop, obtain regulatory approval for or market its product candidates.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, possible failure of preclinical studies or clinical trials, the need to obtain marketing approval for its product candidates, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations, the need to successfully commercialize and gain market acceptance of any of the Company's products that are approved and the ability to secure additional capital to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing, and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if the Company's drug development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

The Company has funded its operations to date primarily through private sales of redeemable convertible preferred stock.

Going Concern

In accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

The Company has incurred recurring negative cash flows since inception and has funded its operations primarily from the sale of redeemable convertible preferred stock. The Company had an accumulated deficit of $74.3 million as of December 31, 2019. The Company had net losses of $18.0 million and $30.7 million for the years ended December 31, 2018 and 2019, respectively. The Company expects to continue to incur significant expenses and operating losses for the foreseeable future.

As of July 29, 2020, the issuance date of these consolidated financial statements for the year ended December 31, 2019, the Company expects its cash and cash equivalents of $45.3 million as of December 31, 2019 will not be sufficient to fund the operating expenses and capital expenditure requirements necessary to advance its research efforts and clinical trials for one year from the issuance date of these consolidated financial statements and the Company will need to obtain additional funding. Upon reaching certain clinical development milestones for the Company's primary clinical candidate, as defined in the terms of the Series B Redeemable Convertible Preferred Stock (“Series B”) stock purchase agreement, the Company is eligible to receive funding through the additional sale of Series B (see Note 6) in the amount of $35.8 million. In addition, the Company intends to pursue a public offering of its common stock to fund future operations. There can be no assurances, however, that the current...
operating plan or clinical development milestone will be achieved or that additional funding will be available or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding, it could be required to delay its development efforts, limit activities and reduce research and development costs, which could adversely affect its business prospects.

Based on the Company's recurring losses and negative cash flows from operations since inception, expectation of continuing operating losses and negative cash flows from operations for the foreseeable future, and the need to raise additional capital to finance its future operations, the Company's management concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year after the issuance date of the consolidated financial statements for the year ended December 31, 2019.

The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

2. Summary of Significant Accounting Policies

Basis of Presentation
These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification ("ASC") and ASU of the FASB.

Principles of Consolidation
The accompanying consolidated financial statements of the Company include the accounts of its wholly owned subsidiary, Oncorus Securities Corporation. All intercompany transactions have been eliminated in consolidation. The Company has one operating segment.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company's management evaluates its estimates, which include, but are not limited to, the estimated fair value of the Company's common stock and share-based awards utilized for stock-based compensation purposes, the Company's Series A-1 and Series B tranche rights (see Note 6), accrued expenses, and amounts of expenses during the reported period. The Company bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes to be reasonable under the circumstances. Actual results may differ from those estimates or assumptions.

Concentration of Credit Risk and of Significant Suppliers
Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company has all of its cash at one financial institution that management believes to be of high credit quality, in amounts that exceed federally insured limits. Cash equivalents consist of money market funds that invest primarily in U.S. government-backed securities and treasuries.

The Company is dependent upon a third-party contract manufacturer and third-party contract research organizations for the performance of portions of its testing for pre-clinical and clinical studies. The Company believes that its relationships with these organizations are satisfactory, and that alternative suppliers of these services are available in the event of the loss of one or more of these suppliers.

Research and Development Expenses
Research and development expenses are expensed as incurred. Research and development expenses consist of costs incurred to discover, research and develop drug candidates, including compensation-related expenses for research and development personnel, including stock-based compensation expense, preclinical and clinical activities, costs of manufacturing, overhead expenses including facilities and laboratory expenses, materials and supplies, amounts paid to consultants and outside service providers, and depreciation and amortization.
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Upfront and annual license payments related to acquired technologies or technology licenses which have not yet reached technological feasibility and have no alternative future use are also included in research and development expense for the period in which they are incurred.

General and Administrative Expenses
General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation expense, for personnel in executive, finance and accounting, business development, operations and administrative functions. General and administrative expenses also include fees for legal, consulting, accounting and audit services as well as insurance, outside service providers, direct and allocated facility-related costs and depreciation and amortization.

Interest Income on Investments
Interest income is separately presented on the consolidated statements of operations and comprehensive loss and consists of interest on cash and cash equivalents.

Cash and Cash Equivalents
The primary objectives for the Company's investment portfolio are the preservation of capital and maintenance of liquidity. The Company considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2018 and 2019, cash and cash equivalents include bank demand deposits and money market funds that invest primarily in U.S. government-backed securities and treasuries. Cash equivalents are stated at cost, which is substantially equivalent to fair value.

Property and Equipment, Net
Property and equipment are recorded at cost. Expenditures for major renewals or betterments that extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets. Property and equipment are depreciated as follows:

<table>
<thead>
<tr>
<th>ASSET TYPE</th>
<th>ESTIMATED USEFUL LIFE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment and software</td>
<td>3-5 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5 years</td>
</tr>
<tr>
<td>Laboratory equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of lease term or estimated useful life</td>
</tr>
</tbody>
</table>

Upon retirement or sale, the cost and related accumulated depreciation and amortization of assets disposed of are removed from the accounts, and any resulting gain or loss is included in loss from operations as a component of other income (expense).

Impairment of Long-Lived Assets
Long-lived assets consist of property and equipment. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends, and significant changes or planned changes in the use of the assets. If an impairment review were to be performed to evaluate a long-lived asset for recoverability, the Company would compare forecasts of undiscounted cash flows expected to result from the use and eventual disposal of the long-lived asset to its carrying value. An impairment loss would be recognized if estimated undiscounted future cash flows expected to result from the use of an asset are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset over its fair value, determined based on discounted cash flows. To date, the Company has not recorded any impairment losses on long-lived assets.

F-9
Fair Value Measurements

Certain assets and liabilities of the Company are carried at fair value under GAAP. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- **Level 1**—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- **Level 2**—Valuations based on quoted prices for similar assets or liabilities in markets that are not active or for which all significant inputs are observable, either directly or indirectly, such as quoted market prices, interest rates, and yield curves.
- **Level 3**—Valuations that require inputs that reflect the Company's own assumptions that are both significant to the fair value measurement and unobservable.

To the extent a valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company's cash equivalents, classified within Level 1, are valued using net asset value per share for the money market funds.

The Company's Series A-1 and Series B tranche rights are classified within Level 3 of the fair value hierarchy because they are valued using significant inputs not observable in the market. The valuation of tranche rights uses assumptions the Company believes would be made by a market participant. The Company assesses these estimates on an on-going basis as additional data impacting the assumptions is obtained. Refer to Note 6 for additional information regarding the valuation of the Series A-1 and Series B tranche rights.

The Company believes that the carrying amounts of prepaid expenses, other current assets, accounts payable, and accrued expenses approximate their fair value due to the short-term nature of those instruments.

Research Contract Costs and Accruals

The Company has entered into various research service arrangements under which vendors perform various services. The Company records accrued expenses for estimated costs incurred under the arrangements. When evaluating the adequacy of the accrued expenses, the Company analyzes the progress of the studies, trials or other services performed, including invoices received and contracted costs. Judgments and estimates are made in determining the accrued expense balances at the end of each reporting period.

Deferred Rent

The Company has received tenant improvement consideration from its landlord as well as free rental periods, each of which are amortized on a straight-line basis over the term of the lease.

Patent Costs

The Company expenses patent costs as incurred and records such costs within general and administrative expenses.

Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in stockholders’ (deficit) equity that result from transactions and economic events other than those with stockholders. For all periods presented, net loss is the same as comprehensive loss as there are no comprehensive income items.

Classification and Measurement of Series A-1 and Series B Redeemable Convertible Preferred Stock

The Company has classified its Series A-1 Redeemable Convertible Preferred Stock (“Series A-1”) and Series B outside of permanent equity because the shares of Series A-1 and Series B contain certain redemption features that result in the Series A-1 and Series B being redeemable (i) at the option of the holder or (ii) upon the occurrence of events that are not solely within the control of the Company. As a result of these redemption provisions, the Series A-1 and Series B are recorded outside of permanent equity and are subject to subsequent measurement under the guidance provided under ASC 480-10-S99. While the Series A-1 and Series B are not currently redeemable, the Series A-1 and Series B are probable of becoming redeemable, and the Company has elected to recognize changes
in the redemption amount over the period from the date of issuance to the earliest possible redemption date. Changes in the redemption amount are recognized as a deemed dividend and presented as a reduction to income attributable to common stockholders.

**Income Taxes**
The Company accounts for income taxes using 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 recognized in the consolidated financial statements or in the Company's tax returns. Deferred taxes are determined based on the difference between the consolidated financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be realized and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. The potential for recovery of deferred tax assets is evaluated by analyzing carryback capacity in periods with taxable income, reversal of existing taxable temporary differences and estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties. The Company recognizes any interest and penalties related to uncertain tax positions in income tax expense.

**Stock-Based Compensation**
The Company measures all stock options and other stock-based awards granted based on the fair value of the award on the date of the grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The Company has elected to recognize forfeitures as they occur. The reversal of compensation cost previously recognized for an award that is forfeited because of a failure to satisfy a service or performance condition is recognized in the period of the forfeiture. Generally, the Company issues stock options and restricted stock awards with only service-based vesting conditions and records the expense for these awards using the straight-line method over the requisite service period. In November 2018, the Company granted a performance-based option to an employee with a total fair value of $0.1 million. A portion of these options vested upon the closing of the Series B financing and stock compensation of $0.04 million was recorded in 2019 related to these vested options. The vesting condition for the remainder of these options was not considered probable and as a result, no stock-based compensation was recorded related to this portion of the award during the year ended December 31, 2019.

Prior to the adoption of ASU No. 2018-07, Compensation—Stock Compensation (Topic 718) on January 1, 2019, the Company measured stock-based awards granted to non-employee consultants based on the fair value of the award on the date on which the related service was complete. Compensation expense was recognized over the period during which services were rendered by such consultants and non-employees until completed. At the end of each reporting period prior to completion of the service, the fair values of these awards were remeasured using the then-current fair value of the Company’s common stock and updated assumption inputs in the Black-Scholes option-pricing model. There was no material impact to the consolidated financial statements as a result of the adoption of ASU No. 2018-07.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipients' service payments are classified.

The Company estimates the fair value of common stock using an appropriate valuation methodology, in accordance with the framework of the American Institute of Certified Public Accountants’ Technical Practice Aid, Valuation of
Privately-Held Company Equity Securities Issued as Compensation. Each valuation methodology includes estimates and assumptions that require the Company's judgment. These estimates and assumptions include a number of objective and subjective factors, including external market conditions, guideline public company information, the prices at which the Company sold redeemable convertible preferred stock to third parties in arms' length transactions, the rights and preferences of securities senior to the Company's common stock at the time, and the likelihood of achieving a liquidity event such as an initial public offering or sale. Significant changes to the assumptions used in the valuations could result in different fair values of stock options and restricted stock at each valuation date, as applicable.

The fair value of each stock option grant is estimated using the Black-Scholes option-pricing model. The Company is a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of peer companies within the biotechnology industry with characteristics similar to the Company. The expected term of the Company's stock options has been determined utilizing the “simplified” method for awards that qualify as “plain-vanilla” options. The expected term of stock options granted to non-employees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is zero, based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

Net Loss Per Share
Net loss per share attributable to common stockholders is calculated using the two-class method, which is an earnings allocation formula that determines net loss per share for the holders of the Company's common shares and participating securities. The Company's Series A-1 and Series B contain participating rights in any dividend paid by the Company and are therefore participating securities. Net loss attributable to common stockholders and participating securities is allocated to each share on an as-converted basis as if all of the earnings for the period had been distributed. However, the participating securities do not include a contractual obligation to share in the losses of the Company and are not included in the calculation of net loss per share in the periods that have a net loss. In addition, common stock equivalent shares (whether or not participating) are excluded from the computation of diluted earnings per share in periods in which they have an anti-dilutive effect on net loss per share.

Diluted net loss per share is computed using the more dilutive of (a) the two-class method or (b) the if-converted method and treasury stock method, as applicable. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. Diluted net loss per share is equivalent to basic net loss per share for the years presented herein because common stock equivalent shares from the Series A-1, Series B, restricted stock, stock option awards and outstanding warrants to purchase common stock (see Note 8) were anti-dilutive.

Deferred Offering Costs
The Company capitalizes certain legal, professional, accounting and other third-party fees that are directly associated with in-process equity issuances as deferred offering costs until such equity issuances are consummated. After consummation of the equity issuance, these costs are recorded as a reduction in the capitalized amount associated with the equity issuance. Should the equity issuance be delayed or abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. During 2019, the Company incurred $1.5 million of deferred offering costs related to the Company's proposed initial public offering ("IPO"). These offering costs were expensed at December 31, 2019 due to the expected timing of the Company's proposed IPO.

Pro Forma Financial Information (unaudited)
Upon the closing of a qualified IPO (as defined in the Company's Certificate of Incorporation), all of the Company's outstanding shares of Series A-1 and Series B will automatically convert into shares of common stock. The unaudited pro forma basic and diluted net loss per share in the accompanying consolidated statements of operations and comprehensive loss for the year ended December 31, 2019 have been computed to give effect to the automatic conversion of all outstanding shares of Series A-1 and Series B into shares of common stock. The unaudited pro
forma basic and diluted net loss per share for the year ended December 31, 2019 was computed using the weighted average number of shares of common stock outstanding, including the pro forma effect of the conversion of all outstanding shares of the Series A-1 and Series B into shares of common stock, as if the Company's proposed IPO had occurred on the later of January 1, 2019 or the original issuance dates of the Series A-1 and Series B. The unaudited pro forma net loss per share does not include the shares expected to be sold or related proceeds to be received in the proposed IPO. The unaudited pro forma net loss per share also excludes the dividends and accretion of the Series A-1 and Series B as the Series A-1 and Series B are assumed to be converted at the beginning of the period or the date of issuance, if later.

The following table summarizes the Company's unaudited pro forma net loss per share attributable to common stockholders (in thousands, except per share data):

<table>
<thead>
<tr>
<th>Numerator:</th>
<th>YEAR ENDED DECEMBER 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$(34,991)</td>
</tr>
<tr>
<td>Accretion of discount and dividends on redeemable convertible preferred stock</td>
<td>4,287</td>
</tr>
<tr>
<td>Pro forma net loss attributable to common stockholders</td>
<td>$(30,704)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Denominator:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of common shares outstanding</td>
<td>935</td>
</tr>
<tr>
<td>Pro forma weighted average shares outstanding after giving effect to the conversion of redeemable convertible preferred stock</td>
<td>8,225</td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding</td>
<td>9,160</td>
</tr>
<tr>
<td>Pro forma basic and diluted net loss per share attributable to common stockholders, basic and diluted</td>
<td>$(3.35)</td>
</tr>
</tbody>
</table>

In November 2018, the Company granted a performance-based stock option to an employee for which a portion of the vesting is triggered by completion of an IPO. The stock-based compensation expense related to the vesting of this performance award is not included in the pro forma amounts above as the impact would be immaterial.

**Subsequent Events**

The Company considers events or transactions that occur after the balance sheet date but prior to the date the financial statements are issued for potential recognition or disclosure in the financial statements. The Company has completed an evaluation of all subsequent events after the audited balance sheet date of December 31, 2019 through the date the financial statements were issued, to ensure that these financial statements include appropriate disclosure of events both recognized in the financial statements as of December 31, 2019 and events which occurred subsequently but were not recognized in the financial statements. Refer to Note 14 for disclosure of material subsequent events.

**Recently Issued Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, Leases (“ASU 2016-02”). ASU 2016-02 will require lessees to recognize most leases on their balance sheet as a right-of-use asset and a lease liability. Leases will be classified as either operating or finance leases, and classification will be based on criteria similar to current lease accounting, but without explicit bright lines. For emerging growth companies (“EGCs”), such as the Company, ASU 2016-02, as amended, will be effective for annual reporting periods beginning after December 15, 2021 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the full impact that the adoption of ASU 2016-02 is expected to have on its financial statements; however, the adoption of ASU 2016-02 will require the recognition at the adoption date of both a lease liability, based on the present value of future lease payments, and a corresponding right-to-use asset, which amounts the Company expects to be material. The future lease payment obligations as of December 31, 2019 are disclosed in Note 11.
In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)—Disclosure Framework (“ASU 2018-13”),* which improves the disclosure requirements for fair value measurements. For EGCs, ASU 2018-13 will be effective for the Company for annual reporting periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for any removed or modified disclosures. The Company is currently evaluating the impact that the adoption of ASU 2018-13 is expected to have on its financial statements.

3. Fair Value Measurements

The following table presents information about the Company’s financial assets and liabilities measured at fair value on a recurring basis (in thousands):

<table>
<thead>
<tr>
<th>Assets:</th>
<th>FAIR VALUE MEASUREMENTS AS OF DECEMBER 31, 2018</th>
<th></th>
<th></th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>LEVEL 1</td>
<td>$19,881</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>LEVEL 2</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LEVEL 3</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>$19,881</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets:</th>
<th>FAIR VALUE MEASUREMENTS AS OF DECEMBER 31, 2019</th>
<th></th>
<th></th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>LEVEL 1</td>
<td>$38,430</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>LEVEL 2</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LEVEL 3</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>$38,430</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th>FAIR VALUE MEASUREMENTS AS OF DECEMBER 31, 2019</th>
<th></th>
<th></th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series B tranche rights</td>
<td>LEVEL 1</td>
<td>$</td>
<td></td>
<td>$1,876</td>
</tr>
<tr>
<td></td>
<td>LEVEL 2</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>LEVEL 3</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>$</td>
<td></td>
<td>$1,876</td>
</tr>
</tbody>
</table>

Information regarding the valuation method and significant assumptions used in valuing the Series B tranche rights is included in Note 6.

4. Property and Equipment

Property and equipment, net as of December 31, 2018 and 2019 consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>DECEMBER 31, 2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratory equipment</td>
<td>$2,514</td>
<td>$3,144</td>
</tr>
<tr>
<td>Computer equipment and software</td>
<td>41</td>
<td>114</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>159</td>
<td>313</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>3,427</td>
<td>3,427</td>
</tr>
<tr>
<td>Fixed assets not yet placed in service</td>
<td>—</td>
<td>328</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,841)</td>
<td>(2,851)</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$4,300</td>
<td>$4,475</td>
</tr>
</tbody>
</table>

Depreciation expense was $1.0 million and $1.1 million for the years ended December 31, 2018 and 2019, respectively, which is included within operating expenses in the consolidated statement of operations and comprehensive loss.
5. Accrued Expenses

At December 31, 2018 and 2019, accrued expenses consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>AS OF DECEMBER 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Accrued research and development costs</td>
<td>$466</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>617</td>
</tr>
<tr>
<td>Accrued professional fees</td>
<td>114</td>
</tr>
<tr>
<td>Miscellaneous accrued expenses</td>
<td>93</td>
</tr>
<tr>
<td><strong>Total accrued expenses</strong></td>
<td>$1,290</td>
</tr>
</tbody>
</table>

6. Series A-1 and Series B Tranche Rights

Series A-1 Tranche Rights

Included in the terms of the purchase agreement for the Series A-1 ("Series A-1 Purchase Agreement") were tranche rights granted to the purchasers of the Series A-1 ("Series A-1 Tranche Rights").

The Series A-1 Tranche Rights provided the holders with the right to purchase additional shares of Series A-1 and Series A-2 Redeemable Convertible Preferred Stock ("Series A-2") in two additional future tranches. The first tranche was for the purchase of additional shares of Series A-1 and was based upon the passage of time. The second tranche was for the purchase of Series A-2 and was based upon the Company achieving certain future clinical development milestones. These collective Series A-1 Tranche Rights met the definition of a freestanding financial instrument, as the Series A-1 Tranche Rights were both legally detachable and separately exercisable from the Series A-1. In addition, the Company determined the Series A-1 Tranche Rights met the definition of a liability (or in some circumstances, an asset) because the Series A-1 Tranche Rights (i) embodied an obligation to repurchase the Company's equity shares and (ii) may have required the Company to settle the obligation by transferring assets. As a result, upon issuance, the respective Series A-1 Tranche Rights were initially recorded at fair value and subsequently re-measured at fair value each reporting period (and at settlement, as applicable). Changes in the fair value were recognized as a component of other income (expense) in the consolidated statements of operations and comprehensive loss.

While outstanding, the estimated fair value of the Series A-1 Tranche Rights was determined using a probability-weighted present value model that considered the probability of triggering the Series A-1 Tranche Rights through achievement of the clinical development milestones specified in the Series A-1 Purchase Agreement. The Company converted the future values to their present values using a discount rate it considered to be appropriate for probability-adjusted cash flows. The estimates were based, in part, on subjective assumptions. Changes to these assumptions could have had a significant impact on the reported fair value of the Series A-1 Tranche Rights.

Upon the issuance of Series A-1 in June 2017, the Company settled the first tranche of the Series A-1 Tranche Rights. The clinical development milestones set forth in the Series A-1 Purchase Agreement that would have triggered the issuance of shares of Series A-2 were ultimately not met. In response, on September 6, 2018, an Amended and Restated Series A-1 Stock Purchase Agreement was adopted, which allowed for (i) the holders of the Series A-1 to purchase 30,599,992 shares of Series A-1 at $0.80 per share in lieu of any Series A-2 shares, (ii) the termination of any remaining rights and obligations associated with the Series A-1 Tranche Rights and (iii) the Series A-2 no longer being an authorized class of capital stock.

This modification to the terms of the Series A-1 Tranche Rights was treated, in effect, as a settlement of the Series A-1 Tranche Rights and subsequent issuance of Series A-1. As settlement pursuant to its original terms was not expected to occur, the fair value of the Series A-1 Tranche Rights was deemed to be zero, resulting in a $0.4 million gain recorded in other income (expense) in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2018.

Series B Tranche Rights

Included in the terms of the purchase agreement for the Series B ("Series B Purchase Agreement") were tranche
rights granted to the purchasers of the Series B ("Series B Tranche Rights").

The Series B Tranche Rights provide the holders with the right to purchase additional shares of Series B, in a future tranche, upon either the achievement by the Company of certain clinical development milestones for the Company's primary clinical candidate, as set forth in the Series B Purchase Agreement, or upon the election of certain holders of the Series B prior to August 5, 2021. In the future tranche, the Company may sell up to 41,690,117 shares of Series B at $0.8597 per share, the full amount of which would result in gross proceeds to the Company of $35.8 million.

At the time of issuance, the Series B Tranche Rights met the definition of a freestanding financial instrument, as the Series B Tranche Rights are both legally detachable and separately exercisable from the Series B. In addition, the Company determined at the time of issuance that the Series B Tranche Rights met the definition of a liability (or in some circumstances, an asset) because the Series B Tranche Rights (i) embody an obligation to repurchase the Company's equity shares and (ii) may require the Company to settle the obligation by transferring assets. As a result, upon issuance, the respective Series B Tranche Rights were initially recorded at fair value and are subsequently re-measured at fair value each reporting period until settlement. Changes in the fair value are recognized as a component of other income (expense) in the consolidated statements of operations and comprehensive loss.

While outstanding, the estimated fair value of the Series B Tranche Rights is determined using a probability-weighted present value model that considers the probability of triggering the Series B Tranche Rights through achievement of the clinical development milestones specified in the Series B Purchase Agreement. The Company converts the future values to their present values using a discount rate it considers to be appropriate for probability-adjusted cash flows. The estimates are based, in part, on subjective assumptions. Changes to these assumptions could have a significant impact on the reported fair value of the Series B Tranche Rights. Significant assumptions for the Series B Tranche Rights valuations at execution and December 31, 2019 include an 85% probability of achieving the clinical development milestones at both dates and a discount rate of 1.9% and 1.6%, respectively.

A rollforward of the Series A-1 and Series B Tranche Rights liability for the years ended December 31, 2018 and 2019 is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>SERIES A-1 TRANCHE RIGHTS</th>
<th>SERIES B TRANCHE RIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2017</td>
<td>$363</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value</td>
<td>(363)</td>
<td>—</td>
</tr>
<tr>
<td>Balance at December 31, 2018</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of Series B tranche rights liability</td>
<td>—</td>
<td>1,876</td>
</tr>
<tr>
<td>Balance at December 31, 2019</td>
<td>—</td>
<td>$1,876</td>
</tr>
</tbody>
</table>

7. Redeemable Convertible Preferred Stock

At December 31, 2019, the Company had 180,725,292 shares of preferred stock, par value $0.0001 per share, in authorized capital. At December 31, 2019, the preferred stock consisted of 76,499,992 authorized, issued and outstanding shares of Series A-1 and 104,225,300 authorized and 62,535,183 issued and outstanding shares of Series B.

Issuances of Series A-1 (and Series A-1 Tranche Rights)

2016 Issuances

On March 31, 2016, the Company issued 4,612,500 shares of Series A Redeemable Convertible Preferred Stock ("Series A") at a price of $1.00 per share and warrants (the "Common Stock Warrants") to purchase 57,239 shares of common stock at an exercise price of $1.21 per share for aggregate gross proceeds of $4.6 million. Each Common Stock Warrant initially entitled the holder to purchase one share of common stock. The Company incurred issuance costs of $0.4 million directly associated with the issuance of the Series A.
On July 11, 2016, the Company and the holders of the Series A agreed to convert and exchange each share of Series A and each Common Stock Warrant into 1.25 shares of Series A-1 and a Common Stock Warrant to purchase 1.25 shares of common stock.

In addition, on July 11, 2016, the Company issued 16,137,499 shares of Series A-1 at a price of $0.80 per share for gross proceeds of $12.9 million. These shares of Series A-1 included the Tranche Rights described in Note 6. For the first tranche, the Company agreed to issue 21,165,626 shares of Series A-1 at $0.80 per share approximately one year following the initial issuance of Series A-1. The second tranche was for 22,086,537 shares of Series A-2 at a price of $1.04 per share, respectively, and was dependent upon the achievement of certain clinical development milestones.

On October 27, 2016, the Company issued an additional 1,500,000 shares of Series A-1 at a price of $0.80 per share for gross proceeds of $1.2 million. These Series A-1 shares were issued with terms consistent with those noted above for the July 11, 2016 issuance of the Series A-1 and also included Tranche Rights, on the same terms, for the future issuances of 1,500,000 shares of Series A-1 for $0.80 and 1,538,462 shares of Series A-2 for $1.04 per share.

2017 Issuances
In June 2017, the first tranche was settled, and the Company issued 22,665,626 shares of Series A-1 at a price of $0.80 per share for gross proceeds to the Company of $18.1 million.

2018 Issuances
As previously disclosed in Note 6, the clinical development milestones set forth in the Series A-1 Purchase Agreement that would trigger the issuance of shares of Series A-2 were ultimately not met. In response, on September 6, 2018, an Amended and Restated Series A-1 Stock Purchase Agreement was adopted, which allowed for (i) the holders of the Series A-1 to purchase 30,599,992 shares of Series A-1 at $0.80 per share in lieu of any Series A-2 shares, (ii) the termination of any remaining rights and obligations associated with the Series A-1 Tranche Rights and (iii) the Series A-2 no longer being an authorized class of capital stock.

Issuance of Series B Redeemable Convertible Preferred Stock
In August 2019, the Company authorized and agreed to sell 92,477,021 shares of Series B in two tranches. The first tranche closed on dates between August 5, 2019 and August 27, 2019. On those dates, the Company sold a total of 55,486,215 shares of Series B at $0.8597 per share, for gross proceeds to the Company of $47.7 million. In November 2019, the Company authorized and agreed to sell 11,748,279 additional shares of its Series B to new investors on the same terms and conditions as the previous sale of Series B. The first tranche of this sale occurred on November 27, 2019, in which the Company sold 7,048,968 shares of Series B for gross proceeds of $6.1 million. The Company paid $0.4 million of issuance costs related to these sales.

The second tranche of the Series B will occur upon either achievement by the Company of certain clinical development milestones, as set forth in the Series B Purchase Agreement, for the Company's primary clinical candidate, or upon election of certain holders of Series B prior to August 5, 2021. For the second tranche, the Company may sell up to 41,690,117 shares of Series B at $0.8597 per share, the full amount of which would result in gross proceeds to the Company of $35.8 million.

The following is a description of the rights and privileges of the Series B and A-1:

Liquidation
In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the affairs of the Company or Deemed Liquidation Event (as defined below), each holder of a share of Series B shall be entitled to receive, prior and in preference to any distribution of any assets or surplus funds of the Company to the holders of Series A-1 and common stock, an amount equal to $0.80 per share, plus any accrued but unpaid dividends. After payment of the full liquidation preference to the holders of Series B, each holder of a share of Series A-1 shall be entitled to receive, in preference to any distribution of any of the assets or surplus funds of the Company to the holders of common stock, an amount equal to an issuance price of $0.80 per share, plus any accrued but unpaid dividends. If upon such liquidation event, the assets of the Company available for distribution are insufficient to permit payment in full to the holders of the Series B, the proceeds will be ratably distributed among the holders of Series B. If the assets of
the Company available for distribution are sufficient to pay the Series B holders in full, but insufficient to permit payment in full to the holders of Series A-1, the remaining proceeds will be ratably distributed among the holders of Series A-1. Any remaining proceeds after full payment to the holders of Series B and Series A-1 are available to the holders of Series B, Series A-1 and common stock to share proportionately on an as-converted basis. As of December 31, 2019, the aggregate liquidation value of the Series B and A-1 shares was $55.3 million and $63.7 million, respectively.

Unless otherwise elected by 68% of the Series B holders, including certain identified Series B holders, a merger or consolidation involving the Company in which the stockholders of the Company do not own a majority of the outstanding shares of the surviving company is considered to be a Deemed Liquidation Event. A sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company is also considered a Deemed Liquidation Event.

**Redemption**
Upon the demand of the holders of at least 68% of the then outstanding shares of Series B, including certain identified Series B holders, but not prior to August 5, 2026, the Company shall redeem from each holder of Series B and Series A-1 on an equal basis, in three annual installments, the then outstanding shares of Series B and A-1 at an amount equal to the greater of (a) the Series B and A-1 at their original issue prices of $0.8597 and $0.80 per share, respectively, plus any declared but unpaid dividends or (b) the then fair market value of the Series B and Series A-1 on the date of receipt of the redemption request. This redemption feature results in the Series B and Series A-1 being redeemable at the option of the holder (based on the passage of time). As a result, the Series B and Series A-1 are recorded outside of permanent equity and subject to subsequent measurement under the guidance provided under ASC 480-10-S99. While the Series B and Series A-1 are not currently redeemable, the Series B and Series A-1 are probable of becoming redeemable, and the Company has elected to recognize changes in the redemption amount over the period from the date of issuance to the earliest possible redemption date of the Series B and Series A-1. Changes in the redemption amount are recognized as a deemed dividend and presented as a reduction to income attributable to common stockholders.

**Conversion**
Each share of Series B and Series A-1 are convertible at the option of the holder at any time and without the payment of any additional consideration into that number of fully paid and non-assessable shares of common stock as is determined by dividing the original issue price of the Series B or Series A-1 by the conversion price in effect at the time of conversion. The initial conversion prices of the Series B and Series A-1 are equal to the original issuance prices of the Series B and Series A-1, respectively.

All outstanding shares of Series B and Series A-1 are automatically convertible into common stock, based upon either: (i) the vote or written consent of holders of at least 68% of the Series B outstanding at that time, including certain identified Series B holders, or (ii) the closing of a firm commitment, underwritten initial public offering, in which the aggregate proceeds to the Company are at least $50.0 million, and having a valuation of the Company, immediately prior to the initial public offering, of at least $200.0 million.

**Pay to Play Requirement**
All Series B holders are subject to a pay-to-play clause according to which non-participating investors in the second tranche described above would be required to convert all their Series B to common stock at a conversion ratio of one share of common stock for every 10 shares of Series B.

All Series A-1 investors were subject to a pay-to-play clause according to which non-participating investors in later tranches of Series A-1 offering would be required to convert all their shares of Series A-1 to common stock at the then applicable conversion ratio.

As of September 6, 2018, three investors chose not to participate in the Company's second tranche of its Series A-1 offering and had an aggregate of 168,750 shares of Series A-1 converted into an aggregate of 13,959 shares of the Company's common stock.

**Voting Rights**
The holders of Series B are entitled to vote, together with the holders of Series A-1 and common stock, on all matters submitted to stockholders for a vote. Each share of Series B and Series A-1 are entitled to the number of
votes equal to the number of shares of common stock into which each share of Series B and Series A-1 are convertible at the time of such vote. At all times during which at least 2,250,000 shares of Series A-1 remain outstanding, the holders of the outstanding shares of Series A-1 shall have the exclusive right, separately from the Series B and common stock, to elect three directors of the Company. The holders of the Series B shall have the right, exclusively and as a separate class, to elect one director of the Company.

Dividends
Series B holders are entitled to receive dividends at an annual rate of $0.06877 per share, which shall accrue from day to day, whether or not such dividends are declared by the Board of Directors, and shall be cumulative. The dividends shall be payable only when and if declared by the Board of Directors. The Company may not declare, pay or set aside any dividends on any other shares of capital stock unless the Series B holders first receive, or simultaneously receive, a dividend in an amount at least equal to the amount of the aggregate accumulated dividends that are accrued but not previously paid, or an amount equal to a formula, which is tied to dividends paid on other classes of stock.

Holders of the Series A-1 shall be entitled to dividends at an annual rate of $0.064 per share. Prior to the issuance of the Series B, Series A-1 dividends were payable only when, as, and if declared by the Board of Directors, and the Company was under no obligation to pay any dividends. Upon the issuance of Series B, the Series A-1 dividend terms were modified such that the Series A-1 dividends became cumulative and began accruing from the dates of original issuance of the Series A-1. Dividends are first payable to the Series B holders and, thereafter, to the holders of Series A-1 in the same manner as in the case of Series B (i.e., accrued dividends not yet paid or a payment formula tied to dividends paid on other classes of stock). That is, upon declaring a dividend to common stock, the holders of the Series B and Series A-1 have a right to receive (i) any unpaid cumulative dividends or (ii) dividends that function on an “as-if” converted basis, with the Series B holders having a dividend preference over the holders of Series A-1 in the order of payout.

8. Common Stock
Each share of common stock is entitled to one vote. The holders of shares of common stock are entitled to receive dividends, if and when declared by the Board of Directors. The voting, dividend, and liquidation rights of the holders of common stock are subject to, and qualified by, the rights, powers, and preferences of the holders of Series B and Series A-1 as described above.

Restricted Stock
The Company issued restricted stock to its founders and certain officers of the Company. In general, the shares of restricted stock vest over a four-year period, with 25% of the shares vesting after one year, followed by monthly vesting over the remaining three years. A summary of non-vested restricted stock during the year ended December 31, 2019 is as follows:

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>WEIGHTED-AVERAGE GRANT DATE FAIR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2018</td>
<td>154,590</td>
</tr>
<tr>
<td>Repurchases</td>
<td>(41,676)</td>
</tr>
<tr>
<td>Issuances</td>
<td>—</td>
</tr>
<tr>
<td>Vested</td>
<td>(71,312)</td>
</tr>
<tr>
<td>Balance at December 31, 2019</td>
<td>41,602</td>
</tr>
</tbody>
</table>

Common Stock Warrants
The Company issued the Common Stock Warrants in connection with its Series A financing in March 2016 (as described in Note 7). The Common Stock Warrants allow for the holders to purchase 71,544 shares of common stock at $1.21 per share. As of December 31, 2019, all of the Common Stock Warrants were fully exercisable. The Common Stock Warrants expire in 2031.
The Company has reserved shares of common stock for the conversion or exercise of the following securities:

<table>
<thead>
<tr>
<th>Conversion of Series A-1</th>
<th>6,328,894</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of Series B</td>
<td>5,173,569</td>
</tr>
<tr>
<td>Exercise of common stock warrants</td>
<td>71,544</td>
</tr>
<tr>
<td>Exercise of options to purchase common stock</td>
<td>1,991,066</td>
</tr>
<tr>
<td>Vesting of restricted stock</td>
<td>41,602</td>
</tr>
<tr>
<td>Shares available for issuance under the Plan</td>
<td>201,224</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,807,899</strong></td>
</tr>
</tbody>
</table>

**9. Equity Incentive Plan**

The Company adopted the 2016 Equity Incentive Plan (the “Plan”) on March 31, 2016. The Plan, as amended, provides for the granting of stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock awards to employees, directors and non-employees. The Company has reserved 2,736,105 shares of common stock for grants under the Plan. All option awards are granted with an exercise price equal to or greater than the market price of the Company’s stock at the date of grant. Option awards generally vest over three to four years. Certain option awards provide for accelerated vesting if there is a change in control as defined in the Plan.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model using the range of assumptions for the years ended December 31, 2018 and 2019 as noted in the following table:

<table>
<thead>
<tr>
<th>YEARS ENDED DECEMBER 31,</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected volatility</td>
<td>71.4%-77.7%</td>
<td>77.0%-78.7%</td>
</tr>
<tr>
<td>Expected dividends</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>6.1-10</td>
<td>6.1-10</td>
</tr>
<tr>
<td>Risk-free rate</td>
<td>2.8%-3.2%</td>
<td>1.4%-2.4%</td>
</tr>
</tbody>
</table>

Total stock-based compensation (including both stock option awards and restricted stock) was as follows:

<table>
<thead>
<tr>
<th>YEARS ENDED DECEMBER 31,</th>
<th>2018 (in thousands)</th>
<th>2019 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and administrative</td>
<td>$ 207</td>
<td>$ 361</td>
</tr>
<tr>
<td>Research and development</td>
<td>119</td>
<td>350</td>
</tr>
<tr>
<td><strong>Total stock-based compensation</strong></td>
<td><strong>$ 326</strong></td>
<td><strong>$ 711</strong></td>
</tr>
</tbody>
</table>

Total stock-based compensation by award type was as follows:

<table>
<thead>
<tr>
<th>YEARS ENDED DECEMBER 31,</th>
<th>2018 (in thousands)</th>
<th>2019 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted stock</td>
<td>$ 199</td>
<td>$ 116</td>
</tr>
<tr>
<td>Stock options</td>
<td>127</td>
<td>595</td>
</tr>
<tr>
<td><strong>Total stock-based compensation</strong></td>
<td><strong>$ 326</strong></td>
<td><strong>$ 711</strong></td>
</tr>
</tbody>
</table>
In November 2018, the Company granted an employee an option to purchase 85,943 shares of the Company's common stock having an exercise price per share equal to the fair value of the Company's common stock on the date of the grant. This grant is included in the outstanding options in the summary table below. Vesting of the option is based on certain performance criteria and shall vest as follows: (i) 16.66% of the shares vested upon the first closing of the Company's Series B stock financing, (ii) 33.33% of the shares vest in 24 equal monthly installments beginning with the first month following the initial closing of the Series B stock financing, (iii) 25% of the shares vest on the date immediately prior to an IPO of the Company's equity securities and (iv) 25% of the shares vest in 24 equal monthly installments beginning with the first month following the IPO. Upon the closing of the Series B financing in August 2019, the option vested immediately with respect to 14,318 shares, and an additional 28,645 option shares began vesting over the following 24 months. As of December 31, 2019, the vesting conditions of the options subject to an IPO were not considered probable, and no stock-based compensation was recorded related to this portion of the award.

A summary of option activity under the Plan is presented below:

<table>
<thead>
<tr>
<th>Shares Outstanding at December 31, 2018</th>
<th>Shares Granted</th>
<th>Shares Exercised</th>
<th>Shares Canceled, expired or forfeited</th>
<th>Shares Outstanding at December 31, 2019</th>
<th>Shares Vested at December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>970,027</td>
<td>1,109,073</td>
<td>(36,012)</td>
<td>(52,022)</td>
<td>1,991,066</td>
<td>455,449</td>
</tr>
</tbody>
</table>

The weighted average grant date fair value of options granted to employees, directors and non-employee consultants during the years ended December 31, 2018 and 2019 was $1.21 and $3.26, respectively. Total unrecognized compensation expense related to stock options amounted to $3.7 million at December 31, 2019 and is expected to be incurred over a weighted-average period of 3.5 years.

The total fair value of restricted shares vested during the years ended December 31, 2018 and 2019 was $0.2 million and $0.1 million, respectively.

At December 31, 2019, there were 201,224 shares of common stock available for grant under the Plan.

### 10. Income Taxes

A reconciliation of income tax expense (benefit) at the statutory federal income tax rate and income taxes as reflected in the consolidated financial statements is as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal income tax benefit at statutory rate</td>
<td>21.0%</td>
<td>21.0%</td>
</tr>
<tr>
<td>State income tax, net of federal benefit</td>
<td>6.3</td>
<td>6.1</td>
</tr>
<tr>
<td>Permanent differences</td>
<td>0.2</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Research and development credit benefit</td>
<td>3.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>(30.9)</td>
<td>(31.9)</td>
</tr>
<tr>
<td>Effective income tax rate</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

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The Company had a net loss for 2018 and 2019 and no income tax benefit has been recorded due to the full valuation allowance. The components of the Company's deferred taxes at December 31, 2018 and 2019 are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>DECEMBER 31, 2018</th>
<th>DECEMBER 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating loss carryforwards (federal and state)</td>
<td>$9,864</td>
<td>$18,070</td>
</tr>
<tr>
<td>Tax credits (federal and state)</td>
<td>1,630</td>
<td>3,129</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>164</td>
<td>156</td>
</tr>
<tr>
<td>Capitalized research and development expenditures</td>
<td>835</td>
<td>835</td>
</tr>
<tr>
<td>Accrued landlord incentive</td>
<td>537</td>
<td>430</td>
</tr>
<tr>
<td>Stock based compensation</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td><strong>Valuation allowance</strong></td>
<td><strong>(12,417)</strong></td>
<td><strong>(22,201)</strong></td>
</tr>
<tr>
<td><strong>Deferred tax liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>(613)</td>
<td>(507)</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and its lack of commercialization of any products or generation of any revenue from product sales since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, a full valuation allowance has been established against the net deferred tax assets for each period presented. The valuation allowance was $12.4 million as of December 31, 2018 and $22.2 million as of December 31, 2019. The increase in the valuation allowance of approximately $9.8 million in 2019 was primarily a result of operating losses generated with no corresponding financial statement benefit.

As of December 31, 2019, the Company had net operating loss carryforwards ("NOLs") for federal income tax purposes of $66.4 million, of which $18.1 million will begin to expire in 2035, and approximately $48.3 million can be carried forward indefinitely. The Company also has $65.3 million of state net operating losses which expire at various dates through 2039. As of December 31, 2019, the Company also had available research and development tax credit carryforwards for federal and state income tax purposes of $2.3 million and $1.1 million, respectively, which begin to expire in 2035 and 2030, respectively. Utilization of the NOL carryforwards and research and development tax credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception due to the significant complexity and cost associated with such a study. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the NOL carryforwards or research and development tax credit carryforwards would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the NOL carryforwards or research and development tax credit carryforwards before utilization. Further, until a study is completed, and any limitation is known, no adjustments have been reflected in the deferred tax asset for NOLs.
For the year ended December 31, 2019, the Company generated research credits but has not conducted a study to document the qualified activities. This study may result in an adjustment to the Company's research and development credit carryforwards; however, until a study is completed and any adjustment is known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company's research and development credits and, if an adjustment is required, this adjustment would be offset by an adjustment to the deferred tax asset established for the research and development credit carryforwards and the valuation allowance.

The Company had no unrecognized tax benefits or related interest and penalties for the years ended December 31, 2018 and 2019.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending income tax examinations. The Company's tax years are still open under statute from the year of formation to the present. The Company's policy is to record interest and penalties related to income taxes as part of its income tax provision.

The Company set up a Massachusetts securities corporation in 2019. The securities corporation is taxed on its investment income at the rate of 1.32%. The securities corporation was not material to the 2019 tax provision.

11. Commitments and Contingencies

Leases
In May 2016, the Company entered into an operating lease agreement for its corporate headquarters in Cambridge, Massachusetts, with a seven-year term that expires in January 2024. Rental payments related to the lease commenced in January 2017.

In connection with this lease, the Company was entitled to cash incentives from the landlord to be used for the construction of leasehold improvements within the facility. The Company received $2.7 million of such incentives, which were recorded as deferred rent on the balance sheet and are being amortized to rent expense over the lease term.

The Company recognizes rent expense on a straight-line basis over the lease period and has recorded deferred rent for rent expense incurred but not yet paid. During the years ended December 31, 2018 and 2019 the Company recognized total rent expense of $1.0 million and $1.0 million, respectively, related to office and lab space under the lease. The amount of variable rent expense for these periods was immaterial.

Future minimum lease payments for the Company's operating leases as of December 31, 2019 were as follows (in thousands):

<table>
<thead>
<tr>
<th>YEARS ENDING DECEMBER 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,479</td>
</tr>
<tr>
<td>2020</td>
<td>1,523</td>
</tr>
<tr>
<td>2021</td>
<td>1,569</td>
</tr>
<tr>
<td>2022</td>
<td>1,616</td>
</tr>
<tr>
<td>2023</td>
<td>48</td>
</tr>
<tr>
<td>2024</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$6,235</td>
</tr>
</tbody>
</table>

License and Royalty Agreements
The Company has entered into license and royalty agreements for intellectual property with certain parties. Such arrangements require ongoing payments, including payments upon the achievement of certain development, regulatory and commercial milestones, receipt of sublicense income, as well as royalties on commercial sales.

Payments under these arrangements are expensed as incurred. The Company has not paid any royalties or milestone payments under these agreements through December 31, 2019.
The Company’s material license and collaboration agreements are summarized below.

Ospedale San Raffaele S.r.l. and Fondazione Telethon
In December 2015, the Company entered into a license agreement with Ospedale San Raffaele S.r.l. and Fondazione Telethon, as amended, for the use of certain patents and technology. The Company made an initial payment of $0.1 million, which amount was recorded as research and development expense. Under the terms of the license, the Company is required to pay an annual maintenance fee, up to $3.9 million in milestone payments for the first indication, up to $5.7 million in milestone payments for each subsequent indication and a low single digit tiered royalty on net sales of any covered products. The agreement terminates upon the expiration of the last remaining royalty obligation for a licensed product.

University of Pittsburgh
In March 2016, the Company entered into a license agreement, as amended, with University of Pittsburgh for the use of certain patents and technology. The Company made an initial payment of $0.1 million, which amount was recorded as research and development expense. Under the terms of the license, the Company is required to pay an annual maintenance fee and up to $2.6 million in milestone payments through first commercial product sale and a low single digit royalty on net product revenue, subject to annual minimum amounts, through the expiration of the patent claims.

Northwestern University
In December 2018, the Company entered into a license agreement with Northwestern University for the use of certain patents and technology. The Company made an initial payment of $0.1 million, which amount was recorded as research and development expense. Under the terms of the license, the Company is required to pay an annual maintenance fee and up to $4.1 million in milestone payments through the first commercial product sale and an annual low single digit royalty on net sales, subject to annual minimum amounts, through the later of ten years from the first commercial sale or the expiration of the patent claims.

WuXi Biologics Ireland Limited
In July 2019, the Company entered into a license agreement with an entity for the use of certain patents and technology. Under the terms of the license, the Company agreed to an initial license payment of $0.3 million and is required to pay milestone payments for the first product developed, as well as additional products, in addition to royalties on net product revenue. For the first product developed, the Company is required to pay up to $8.0 million in certain clinical milestone payments. For the first three products developed, the Company is also required to pay up to $27.0 million in commercial milestone payments for each product that achieves specified net sales levels along with product approvals in several countries. The Company also agreed to pay tiered royalties on net sales of licensed products ranging in the low-single digits. The obligation to pay royalties under the license agreement expires on a licensed product-by-licensed product and country-by-country basis upon expiry of the last valid claim of the licensed patents that cover such licensed product in such country.

Related Party License and Royalty Agreements
In connection with the sale of Series A preferred stock (see Note 7), certain investors are entitled to receive, in the aggregate, a royalty from the Company equal to 1% of net sales of Company products discovered or developed prior to an IPO by the Company. The royalty obligation expires upon the later of twelve years from the first commercial sale or the expiration of the patent.

Also in connection with the sale of Series A, the Company entered into a patent assignment agreement with an investor under which that investor would receive $1.0 million upon regulatory approval of a product in the United States and an annual low single-digit royalty on net product revenue. The Company is not currently developing any product candidates using the patent that was assigned to the Company.

In September 2016, the Company entered into a sublicense agreement with an entity affiliated with a stockholder of the Company for the use of certain patents and technology. Under the terms of the license, the Company is required to pay up to $7.6 million in milestone payments through first commercial product sale and an annual mid-single digit royalty on net sales through the expiration of the patent claims. The Company is not currently using the technology underlying these patents.
**Litigation**

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

**12. Net Loss Per Share**

The following securities that could potentially dilute basic net loss per share in the future were not included in the computation of diluted net loss per share for the periods presented, because to do so would have been antidilutive:

<table>
<thead>
<tr>
<th>SECURITY</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A-1</td>
<td>6,328,894</td>
<td>6,328,894</td>
</tr>
<tr>
<td>Series B</td>
<td></td>
<td>5,173,569</td>
</tr>
<tr>
<td>Outstanding stock options</td>
<td>970,027</td>
<td>1,991,066</td>
</tr>
<tr>
<td>Restricted stock</td>
<td>154,590</td>
<td>41,602</td>
</tr>
<tr>
<td>Common stock warrants</td>
<td>71,544</td>
<td>71,544</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,525,055</td>
<td>13,606,675</td>
</tr>
</tbody>
</table>

**13. Retirement Plan**

The Company has a tax-qualified employee savings and retirement plan under Section 401(k) of the Code, covering all qualified employees. Participants may elect a salary deferral up to the statutorily prescribed annual limit for tax-deferred contributions. The Company did not make any matching contributions in 2018 or 2019.

**14. Subsequent Events**

The Company has completed an evaluation of all subsequent events after the audited balance sheet date of December 31, 2019 through July 29, 2020, the date the financial statements were issued except for Note 14(b) as to which the date is September 28, 2020. Subsequent to the issuance of the financial statements, the following events occurred and required disclosure in, or revision to, the financial statements:

(a) **Second Tranche of Series B Preferred Stock Financing (unaudited)**

In September 2020, the Company achieved certain milestones related to the clinical development of its lead product candidate, ONCR-177. One of those milestones was that the three patients in the first cohort and first patient in the second cohort of the Company’s Phase 1 trial experienced no dose limiting toxicities within the first 28 days following their initial doses of ONCR-177. Upon achievement of the milestones, the Series B investors became obligated to purchase additional shares of Series B in a second and final tranche closing (see Note 6 for additional information). On September 17 and 23, 2020, the Company issued an aggregate of 41,690,117 shares of Series B at $0.8597 per share, for gross proceeds to the Company of $35.8 million, at the second tranche closing.

(b) **Reverse Stock Split**

On September 23, 2020, the Company’s board of directors and stockholders approved a one-for-12.0874 reverse split of the Company’s issued and outstanding common stock and a proportional adjustment to the existing conversion ratios for the outstanding shares of convertible preferred stock, which became effective on September 25, 2020. Accordingly, all share and per share amounts for all periods presented in the accompanying consolidated financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the reverse stock split, including reclassification of par, additional paid-in capital and accumulated deficit amounts as a result of the split adjustment.
On October 6, 2020, the Company completed the IPO, in which the Company issued and sold 5,800,000 shares of its common stock at a public offering price of $15.00 per share. On October 14, 2020, the Company sold an additional 757,991 shares of common stock at $15.00 per share pursuant to the underwriters’ partial exercise of their option to purchase additional shares of common stock. The total gross proceeds of the IPO were $98.4 million and the Company raised approximately $88.3 million in net proceeds after deducting underwriting discounts and commissions and offering expenses payable by the Company. Upon the closing of the IPO, all of the outstanding shares of Series A-1 and Series B convertible preferred stock converted into an aggregate of 14,951,519 shares of common stock at the applicable conversion ratio then in effect and the Company changed its authorized capital stock to 100,000,000 shares designated as common stock, and 10,000,000 shares designated as preferred stock, all with a par value of $0.0001 per share.

On September 23, 2020, the Company adopted the 2020 Equity Incentive Plan, or the 2020 Plan, which will become effective upon the execution of the underwriting agreement related to the IPO and will serve as the successor to the Plan. The 2020 Plan authorizes the award of stock options, restricted stock awards, or RSAs, stock appreciation rights, or SARs, restricted stock units, or RSUs, cash awards, performance awards and stock bonus awards. Under the 2020 Plan, 2,800,000 shares of common stock, plus any reserved shares not issued or subject to outstanding grants under the Plan on the effective date of the 2020 Plan are reserved for issuance pursuant to awards granted under the 2020 Plan. The number of shares reserved for issuance under the 2020 Plan will increase automatically on January 1 of each of 2021 through 2030 by the number of shares equal to the lesser of 5% of the aggregate number of outstanding shares of common stock as of the immediately preceding December 31, or a number as may be determined by the board of directors.

On September 23, 2020, the Company adopted the 2020 Employee Stock Purchase Plan, or the ESPP, which will become effective upon the execution of the underwriting agreement related to the IPO. The Company has initially reserved 280,000 shares of common stock for sale under the ESPP. The aggregate number of shares reserved for sale under the ESPP will increase automatically on January 1st of each of the first ten calendar years after the first offering date by the number of shares equal to the lesser of 1% of the total outstanding shares of common stock as of the immediately preceding December 31 (rounded to the nearest whole share) or a fixed number, or a number of shares as may be determined by the board of directors in any particular year.

On December 29, 2020, the Company entered into a lease agreement for approximately 33,518 square feet, or the Pod 4 Portion, and approximately 54,666 square feet, or the Pod 5 Portion, of a manufacturing facility located in Andover, Massachusetts. The lease contains a free rent period for each of the Pod 4 Portion and the Pod 5 Portion. The term of the lease will continue for 15 years from the date the monthly rent for the Pod 5 Portion commences, or approximately December 31, 2036, unless earlier terminated in accordance with the terms of the lease. The Company has two options to extend the term of the lease for the entire premises for a period of 10 years each, with rent during the extended term being based on the then-prevailing market rental rate.

Under the lease, the monthly rent payments for the Pod 4 Portion are expected to commence on October 1, 2021, reflecting an approximately nine-month rent-free period following the execution of the lease. The Company has a right to occupy the Pod 4 Portion prior to the Pod 4 rent commencement date, subject to the completion of tenant improvements, and would be responsible for proportional base rent payments, utilities, and the Company’s proportionate share of operating costs and taxes attributable to the Pod 4 Portion, provided that such payments of base rent for the occupancy of the Pod 4 Portion would commence no earlier than July 1, 2021 in any event. Beginning on the Pod 4 rent commencement date, the Company will be obligated to make monthly base rent payments, which will initially be approximately $0.1 million and will increase to approximately $0.2 million during the initial term of the lease. The monthly rent payments for the Pod 5 Portion are expected to commence on January 1, 2022, reflecting an approximately one-year rent-free period following the execution of the lease. Beginning on the Pod 5 rent commencement date, the Company will be obligated to make monthly base rent payments, which will initially be approximately $0.2 million and will increase to approximately $0.3 million during
the initial term of the lease. The total lease commitment is expected to be approximately $72.0 million over the 15-year term. The Company also agreed to provide the landlord with a $2.9 million letter of credit as support for its obligations under the lease.
### Condensed Consolidated Balance Sheets

#### (in thousands, except for par value data)

#### (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 54,019</td>
<td>$ 45,286</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>1,577</td>
<td>615</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$ 55,596</td>
<td>$ 45,901</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>4,506</td>
<td>4,475</td>
</tr>
<tr>
<td>Deferred offering costs</td>
<td>1,507</td>
<td>—</td>
</tr>
<tr>
<td>Other assets</td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 62,059</td>
<td>$ 50,826</td>
</tr>
<tr>
<td><strong>Liabilities, redeemable convertible preferred stock and stockholders’ deficit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 1,470</td>
<td>$ 942</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>3,155</td>
<td>3,521</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>500</td>
<td>467</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$ 5,133</td>
<td>$ 4,938</td>
</tr>
<tr>
<td>Series B tranche rights (Note 5)</td>
<td>—</td>
<td>1,876</td>
</tr>
<tr>
<td>Deferred rent, net of current portion</td>
<td>1,295</td>
<td>1,677</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$ 6,428</td>
<td>$ 8,491</td>
</tr>
<tr>
<td>Commitments and contingencies (Note 9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Re redeemable convertible preferred stock:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A-1 redeemable convertible preferred stock, $0.0001 par value, 76,500 shares authorized; 76,500 shares issued and outstanding as of September 30, 2020 and December 31, 2019; liquidation preference of $68,436 at September 30, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series B redeemable convertible preferred stock, $0.0001 par value, 104,225 shares authorized; 104,225 and 62,535 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively; liquidation preference of $94,492 at September 30, 2020</td>
<td>68,220</td>
<td>63,494</td>
</tr>
<tr>
<td><strong>Stockholders’ deficit:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, $0.0001 par value, 227,000 shares authorized; 1,072 and 989 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Accumulated deficit</strong></td>
<td>(118,257)</td>
<td>(74,297)</td>
</tr>
<tr>
<td><strong>Total stockholders’ deficit</strong></td>
<td>(118,257)</td>
<td>(74,297)</td>
</tr>
<tr>
<td><strong>Total liabilities, redeemable convertible preferred stock and stockholders’ deficit</strong></td>
<td>$ 62,059</td>
<td>$ 50,826</td>
</tr>
</tbody>
</table>

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

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### Condensed Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except per share data)

(inaligned in unaudited)

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SEPTEMBER 30,</td>
<td>SEPTEMBER 30,</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$ 6,927</td>
<td>$ 6,221</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,973</td>
<td>1,513</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>8,900</td>
<td>7,734</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(8,900)</td>
<td>(7,734)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in fair value of Series B tranche rights</td>
<td>(10,631)</td>
<td>—</td>
</tr>
<tr>
<td>Other expense</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Interest income</td>
<td>2</td>
<td>164</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>(10,631)</td>
<td>161</td>
</tr>
<tr>
<td>Net loss and comprehensive loss</td>
<td>(19,531)</td>
<td>(7,573)</td>
</tr>
<tr>
<td>Accretion of discount and dividends on redeemable convertible preferred stock</td>
<td>(2,848)</td>
<td>(1,578)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (22,379)</td>
<td>$ (9,151)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders—basic and diluted</td>
<td>$ (21.73)</td>
<td>$ (9.67)</td>
</tr>
<tr>
<td>Weighted-average number of common shares outstanding—basic and diluted</td>
<td>1,030</td>
<td>946</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.
## Table of Contents

ONCORUS, INC.

Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders’ Deficit

(in thousands, except share amounts)

(unaudited)

<table>
<thead>
<tr>
<th>Balance at December 31, 2018</th>
<th></th>
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<th></th>
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<tr>
<td></td>
<td>SHARES</td>
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<td>SHARES</td>
<td>AMOUNT</td>
<td>SHARES</td>
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</tr>
<tr>
<td>Series A-1 preferred stock</td>
<td>76,499,992</td>
<td>60,893</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Series B preferred stock</td>
<td>76,499,992</td>
<td>60,893</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Balance</td>
<td>881,376</td>
<td>$ 906</td>
<td>(31)</td>
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<tr>
<td>Net loss</td>
<td>17,443</td>
<td>—</td>
<td>28</td>
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<table>
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<tr>
<th>Balance at June 30, 2019</th>
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<td>—</td>
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<tr>
<td>Series B preferred stock</td>
<td>76,499,992</td>
<td>60,893</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Balance</td>
<td>937,681</td>
<td>1,113</td>
<td>(1,347)</td>
<td>(231)</td>
<td>(1,578)</td>
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<tr>
<td>Net loss</td>
<td>16,225</td>
<td>—</td>
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<table>
<thead>
<tr>
<th>Balance at September 30, 2019</th>
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<td>SHARES</td>
<td>AMOUNT</td>
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<td>AMOUNT</td>
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<td>Series A-1 preferred stock</td>
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<td>61,900</td>
<td>55,486,215</td>
<td>46,240</td>
<td>970,640</td>
<td>—</td>
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<tr>
<td>Series B preferred stock</td>
<td>76,499,992</td>
<td>63,494</td>
<td>62,535,183</td>
<td>53,138</td>
<td>988,700</td>
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<tr>
<td>Balance</td>
<td>970,640</td>
<td>$ 63,051</td>
<td>(17,201)</td>
<td>(54,134)</td>
<td>(63,051)</td>
<td>—</td>
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<tr>
<td>Net loss</td>
<td>14,026</td>
<td>—</td>
<td>619</td>
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<thead>
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</thead>
<tbody>
<tr>
<td></td>
<td>SHARES</td>
<td>AMOUNT</td>
<td>SHARES</td>
<td>AMOUNT</td>
<td>SHARES</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>Series B preferred stock</td>
<td>76,499,992</td>
<td>63,494</td>
<td>62,535,183</td>
<td>53,138</td>
<td>988,700</td>
<td>—</td>
</tr>
<tr>
<td>Balance</td>
<td>988,700</td>
<td>$ 74,297</td>
<td>(14,264)</td>
<td>(54,134)</td>
<td>(14,264)</td>
<td>—</td>
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<tr>
<td>Net loss</td>
<td>16,225</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

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

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### ONCORUS, INC.

**Condensed Consolidated Statements of Cash Flows**  
*(in thousands)  
*(unaudited)*

<table>
<thead>
<tr>
<th>Operating activities:</th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(36,732)</td>
<td>$(21,837)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>983</td>
<td>786</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>959</td>
<td>411</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in fair value of Series B tranche rights</td>
<td>11,256</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Prepaid expenses and other current assets</td>
<td>(962)</td>
<td>(253)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>103</td>
<td>91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>(885)</td>
<td>2,506</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(349)</td>
<td>(317)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(25,627)</td>
<td>(18,795)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Investing Activities**

| Purchase of property and equipment | (1,014) | (598) |  |
| Net cash used in investing activities | (1,014) | (598) |  |

**Financing activities**

| Proceeds from issuance of Series B preferred stock and tranche liability | 35,826 | 47,303 |  |
| Payment of deferred offering costs | (563) | — |  |
| Proceeds from exercise of options to purchase common stock | 111 | 61 |  |
| Net cash provided by financing activities | 35,374 | 47,364 |  |
| Increase in cash and cash equivalents | 8,733 | 27,971 |  |
| Cash and cash equivalents at beginning of period | 45,286 | 20,079 |  |
| Cash and cash equivalents at end of period | $54,019 | $48,050 |  |

**Non-cash investing and financing activities**

| Purchase of property and equipment in accrued expenses | $ | — | $114 |  |
| Accretion of discount and dividends on preferred stock | $8,298 | $1,609 |  |
| Deferred offering costs in accounts payable and accrued expenses | $944 | — |  |
| Settlement of Series B tranche rights | $13,132 | — |  |

The accompanying notes are an integral part of these interim condensed consolidated financial statements.
1. Nature of the Business and Basis of Presentation

Organization

Oncorus, Inc. (the “Company”) is a biopharmaceutical company focused on developing next-generation viral immunotherapies to transform outcomes for cancer patients. Using its two platforms, the Company is developing a pipeline of intratumorally and intravenously administered product candidates designed to selectively attack and kill tumor cells.

The Company’s operations to date have focused on organization and staffing, business planning, raising capital, acquiring and developing the Company’s technology, establishing the Company’s intellectual property portfolio, identifying potential product candidates and undertaking preclinical studies, clinical trials and manufacturing. The Company does not have any product candidates approved for sale and has not generated any revenue from product sales. The Company’s product candidates are subject to long development cycles and the Company may be unsuccessful in its efforts to develop, obtain regulatory approval for or market its product candidates.

On October 6, 2020, the Company completed an initial public offering (“IPO”), in which the Company issued and sold 5,800,000 shares of its common stock at a public offering price of $15.00 per share. On October 14, 2020, the Company sold an additional 757,991 shares of common stock at $15.00 per share pursuant to the underwriters’ partial exercise of their option to purchase additional shares of common stock. The total gross proceeds from the IPO were $98.4 million and the Company raised approximately $88.3 million in net proceeds after deducting underwriting discounts and commissions and offering expenses payable by the Company.

Upon the closing of the IPO, all of the outstanding shares of convertible preferred stock automatically converted into 14,951,519 shares of common stock at the applicable conversion ratio then in effect. Subsequent to the closing of the IPO, there were no shares of preferred stock outstanding. In connection with the closing of the IPO, the Company filed its amended and restated certificate of incorporation pursuant to which it is authorized to issue up to 100,000,000 shares designated as common stock and 10,000,000 shares designated as preferred stock, all with a par value of $0.0001 per share. The condensed consolidated financial statements as of September 30, 2020, including share and per share amounts, do not give effect to the IPO, as it closed subsequent to September 30, 2020.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, possible failure of preclinical studies or clinical trials, the need to obtain marketing approval for its product candidates, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations, the need to successfully commercialize and gain market acceptance of any of the Company’s products that are approved and the ability to secure additional capital to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing, and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if the Company’s drug development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

Basis of Presentation and Liquidity

The accompanying unaudited interim condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”). Any reference in these notes to applicable guidance is meant to refer to authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (“ASC”) and as amended by Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”).

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements include all normal and recurring adjustments (which consist primarily of accruals and estimates that impact the
financial statements) which are considered necessary to present fairly the Company's financial position as of September 30, 2020, its results of operations for the three and nine months ended September 30, 2020 and 2019, its changes in redeemable convertible preferred stock and stockholders' deficit for the three and nine months ended September 30, 2020 and 2019 and its cash flows for the nine months ended September 30, 2020 and 2019. The accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the year ended December 31, 2019 found elsewhere in this prospectus.

On September 23, 2020 and September 25, 2020, the Company's board of directors and stockholders, respectively, approved a one-for-12.0874 reverse split of the Company's issued and outstanding common stock and a proportional adjustment to the existing conversion ratios for the outstanding shares of convertible preferred stock, which became effective on September 25, 2020. Accordingly, all share and per share amounts for all periods presented in the accompanying unaudited interim condensed consolidated financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the reverse stock split, including reclassification of par, additional paid-in capital and accumulated deficit amounts as a result of the split adjustment.

The Company's unaudited interim condensed consolidated financial statements as of September 30, 2020 have been prepared on the basis of the Company continuing as a going concern for the next 12 months. Management believes that the Company's existing cash and cash equivalents, together with the net proceeds from the IPO, will allow the Company to continue its operations for at least the next 12 months. In the absence of a significant source of recurring revenue, the continued viability of the Company is dependent on its ability to continue to raise additional capital to finance its operations. If the Company is unable to obtain additional funding, the Company may be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations.

2. Summary of Significant Accounting Policies

COVID-19 Pandemic

With the ongoing COVID-19 global pandemic, the Company has implemented business continuity plans designed to address and mitigate the impact of the COVID-19 pandemic on its employees and its business, including its preclinical studies and its ongoing clinical trial. The Company has taken measures to secure its research and development activities, while work in its laboratories and facilities has been re-organized to reduce risks of COVID-19 transmission. Given the global impact and the other risks and uncertainties associated with the pandemic, the Company's business, financial condition and results of operations could be materially adversely affected. The Company continues to closely monitor the COVID-19 pandemic and evolve its business continuity plans, clinical development plans and response strategy to mitigate any potential impact. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. Actual results could differ from those estimates, and any such differences may be material to the Company's financial statements.

Principles of Consolidation

The accompanying unaudited interim condensed consolidated financial statements of the Company include the accounts of its wholly owned subsidiary, Oncorus Securities Corporation. All intercompany transactions have been eliminated in consolidation. The Company has one operating segment.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, the Company's management evaluates its estimates, which include, but are not limited to, the estimated fair value of the Company's common stock and share-based awards utilized for stock-based compensation purposes, the Company's Series B tranche rights (see Note 5), accrued expenses, and amounts of expenses during the reported period. The Company bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes to be reasonable under the circumstances. Actual results may differ from those estimates or assumptions.
Classification and Measurement of Series A-1 and Series B Redeemable Convertible Preferred Stock

Upon the closing of the IPO on October 6, 2020, all shares of preferred stock converted into common stock. Prior to the IPO, the Company classified its Series A-1 Redeemable Convertible Preferred Stock (“Series A-1”) and Series B Redeemable Convertible Preferred Stock (“Series B”) outside of permanent equity because the shares of Series A-1 and Series B contained certain redemption features that resulted in the Series A-1 and Series B being redeemable (i) at the option of the holder or (ii) upon the occurrence of events that were not solely within the control of the Company. As a result of these redemption provisions, the Series A-1 and Series B were recorded outside of permanent equity and were subject to subsequent measurement under the guidance provided under ASC 480-10-S99. While the Series A-1 and Series B were not currently redeemable, the Series A-1 and Series B were probable of becoming redeemable, and the Company elected to recognize changes in the redemption amount over the period from the date of issuance to the earliest possible redemption date. Changes in the redemption amount were recognized as a deemed dividend and presented as a reduction to income attributable to common stockholders.

Deferred Offering Costs

The Company capitalizes certain legal, professional, accounting and other third-party fees that are directly associated with in-process equity issuances as deferred offering costs until such equity issuances are consummated. After consummation of the equity issuance, these costs are recorded as a reduction in the capitalized amount associated with the equity issuance. The Company recorded deferred offering costs related to the IPO of approximately $1.5 million as of September 30, 2020. Upon the closing the IPO in October 2020, the deferred offering costs were recorded against the IPO proceeds as a reduction of additional paid-in capital.

Concentration of Credit Risk and of Significant Suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company has all of its cash at one financial institution, that management believes to be of high credit quality, in amounts that exceed federally insured limits. Cash equivalents consist of money market funds that invest primarily in U.S. government-backed securities and treasuries.

The Company is dependent upon a third-party contract manufacturer and third-party contract research organizations for the performance of portions of its testing for pre-clinical and clinical studies. The Company believes that its relationships with these organizations are satisfactory, and that alternative suppliers of these services are available in the event of the loss of one or more of these suppliers.

Fair Value Measurements

Certain assets and liabilities of the Company are carried at fair value under GAAP. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- **Level 1**—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- **Level 2**—Valuations based on quoted prices for similar assets or liabilities in markets that are not active or for which all significant inputs are observable, either directly or indirectly, such as quoted market prices, interest rates, and yield curves.
- **Level 3**—Valuations that require inputs that reflect the Company’s own assumptions that are both significant to the fair value measurement and unobservable.

To the extent a valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company’s cash equivalents, classified within Level 1, are valued using net asset value per share for the money market funds.

The tranche rights granted to the Series B stockholders (the “Series B Tranche Rights”) were classified within Level 3 of the fair value hierarchy because they were valued using significant inputs not observable in the market.
The valuation of the tranche rights used assumptions the Company believed would be made by a market participant. The Company assessed these estimates on an ongoing basis as additional data impacting the assumptions was obtained. Refer to Note 5 for additional information regarding the valuation of the tranche rights.

The Company believes that the carrying amounts of prepaid expenses, other current assets, accounts payable, and accrued expenses approximate their fair value due to the short-term nature of those instruments.

**Research Contract Costs and Accruals**

The Company has entered into various research service arrangements under which vendors perform various services. The Company records accrued expenses for estimated costs incurred under the arrangements. When evaluating the adequacy of the accrued expenses, the Company analyzes the progress of the studies, trials or other services performed, including invoices received and contracted costs. Judgments and estimates are made in determining the accrued expense balances at the end of each reporting period.

**Net Loss Per Share**

Net loss per share attributable to common stockholders is calculated using the two-class method, which is an earnings allocation formula that determines net loss per share for the holders of the Company’s shares of common stock and participating securities. Prior to conversion in connection with the IPO, the Company’s Series A-1 and Series B contained participating rights in any dividend paid by the Company and were therefore participating securities. Net loss attributable to common stockholders and participating securities is allocated to each share on an as-converted basis as if all of the earnings for the period had been distributed. However, the participating securities do not include a contractual obligation to share in the losses of the Company and are not included in the calculation of net loss per share in the periods that have a net loss. In addition, common stock equivalent shares (whether or not participating) are excluded from the computation of diluted earnings per share in periods in which they have an anti-dilutive effect on net loss per share.

Diluted net loss per share is computed using the more dilutive of (a) the two-class method or (b) the if-converted method and treasury stock method, as applicable. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders since dilutive shares of common stock are not assumed to have been issued if their effect is anti-dilutive. Diluted net loss per share is equivalent to basic net loss per share for the periods presented herein because common stock equivalent shares from the Series A-1, Series B, restricted stock, stock option awards and outstanding warrants to purchase common stock (see Note 10) were anti-dilutive.

**Recently Issued Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (“ASU 2016-02”). ASU 2016-02 will require lessees to recognize most leases on their balance sheet as a right-of-use asset and a lease liability. Leases will be classified as either operating or finance leases, and classification will be based on criteria similar to current lease accounting, but without explicit bright lines. For emerging growth companies (“EGCs”) such as the Company, ASU 2016-02, as amended, will be effective for annual reporting periods beginning after December 15, 2021 and interim periods for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the full impact that the adoption of ASU 2016-02 is expected to have on its financial statements; however the adoption of ASU 2016-02 will require the recognition at the adoption date of both a lease liability, based on the present value of future lease payments, and a corresponding right-to-use asset, which amounts the Company expects to be material.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)—Disclosure Framework* (“ASU 2018-13”), which improves the disclosure requirements for fair value measurements. For EGCs, ASU 2018-13 was effective for the Company for annual reporting periods beginning after December 15, 2019, including interim periods within those fiscal years. The Company adopted ASU 2018-13 effective as of January 1, 2020 and that adoption did not have a material impact on the consolidated financial statements.
3. Fair Value Measurements

The following table presents information about the Company’s financial assets and liabilities measured at fair value on a recurring basis (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>FAIR VALUE MEASUREMENTS</th>
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<tbody>
<tr>
<td></td>
<td>AS OF SEPTEMBER 30, 2020</td>
<td>LEVEL 1</td>
<td>LEVEL 2</td>
<td>LEVEL 3</td>
<td>TOTAL</td>
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<tr>
<td>Assets:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Money market funds</td>
<td>$51,555</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$51,555</td>
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<tr>
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<td>$ —</td>
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<td>$51,555</td>
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</thead>
<tbody>
<tr>
<td></td>
<td>AS OF DECEMBER 31, 2019</td>
<td>LEVEL 1</td>
<td>LEVEL 2</td>
<td>LEVEL 3</td>
<td>TOTAL</td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>$38,430</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$38,430</td>
</tr>
<tr>
<td></td>
<td>$38,430</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$38,430</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series B tranche rights</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 1,876</td>
<td>$ 1,876</td>
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</tr>
<tr>
<td></td>
<td>$ —</td>
<td>$ —</td>
<td>$ 1,876</td>
<td>$ 1,876</td>
<td></td>
</tr>
</tbody>
</table>

4. Accrued Expenses

At September 30, 2020 and December 31, 2019, accrued expenses consisted of the following (in thousands):

<table>
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<tr>
<th></th>
<th>SEPTEMBER 30, 2020</th>
<th>DECEMBER 31, 2019</th>
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<tbody>
<tr>
<td>Accrued research and development costs</td>
<td>$890</td>
<td>$1,614</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>901</td>
<td>961</td>
</tr>
<tr>
<td>Accrued professional fees</td>
<td>1,176</td>
<td>564</td>
</tr>
<tr>
<td>Miscellaneous accrued expenses</td>
<td>188</td>
<td>382</td>
</tr>
<tr>
<td>Total accrued expenses</td>
<td>$3,155</td>
<td>$3,521</td>
</tr>
</tbody>
</table>

5. Series B Tranche Rights

Included in the terms of the purchase agreement for the Series B ("Series B Purchase Agreement") were Series B Tranche Rights granted to the purchasers of the Series B.

The Series B Tranche Rights provided the holders with the right to purchase additional shares of Series B, in a second tranche, upon either the achievement by the Company of certain clinical development milestones for the Company's primary clinical candidate, as set forth in the Series B Purchase Agreement, or upon the election of certain holders of the Series B prior to August 5, 2021. In the second tranche, the Company had the ability to sell up to 41,690,117 shares of Series B at $0.8597 per share. The Company reached the clinical development milestones set forth in the Series B Purchase Agreement in September 2020 and the Company sold 41,690,177 shares of Series B at $0.8597 per share, resulting in total gross proceeds to the Company of $35.8 million.

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At the time of issuance, the Series B Tranche Rights met the definition of a freestanding financial instrument, as the Series B Tranche Rights were both legally detachable and separately exercisable from the Series B. In addition, the Company determined at the time of issuance that the Series B Tranche Rights met the definition of a liability (or in some circumstances, an asset) because the Series B Tranche Rights (i) embodied an obligation to repurchase the Company’s equity shares and (ii) may have required the Company to settle the obligation by transferring assets. As a result, upon issuance, the respective Series B Tranche Rights were initially recorded at fair value and were subsequently re-measured at the end of each reporting period until settlement. Changes in the fair value were recognized as a component of other income (expense) in the consolidated statements of operations and comprehensive loss.

At December 31, 2019 and at the end of each reporting period prior to settlement in September 2020, the estimated fair value of the Series B Tranche Rights was determined using a probability weighted present value model that considered the probability of triggering the Series B Tranche Rights through achievement of the clinical development milestones specified in the Series B Purchase Agreement. The Company converted the future values to their present values using a discount rate it considered to be appropriate for probability adjusted cash flows. The estimates were based, in part, on subjective assumptions. Significant assumptions for the Series B Tranche Rights valuations at December 31, 2019 and in 2020, prior to settlement, included an 85% to 90% range of probability of achieving the clinical development milestones and discount rates ranging from 0.2% to 1.9%.

The Company remeasured the fair value of the tranche rights for a final time at the date of settlement on September 17, 2020. As the clinical development milestones triggering the tranche closing were achieved, the fair value of the tranche rights at settlement was derived based on the implied intrinsic value of the Series B on the day of the second tranche closing event. The fair value of the Series B at settlement was $1.18 per share and was based on the probability of the conversion of the Series B upon an IPO and the expected value of the shares, on a converted basis, in an IPO. The increase in the probability of the achievement of the milestone, as well as the increase in the fair value of the Series B, resulted in an increase of $10.6 million in the fair value of the Series B Tranche Rights in the three months ended September 30, 2020 that was recognized as a loss in the accompanying unaudited interim condensed consolidated statement of operations and comprehensive loss at settlement. The balance of the Series B Tranche Rights of $13.1 million was reclassified at settlement to increase the Series B carrying value on the accompanying unaudited interim condensed consolidated balance sheet.

A rollforward of the Series B Tranche Rights liability for the nine months ended September 30, 2020 is as follows (in thousands):

<table>
<thead>
<tr>
<th>SERIES B TRANCHE RIGHTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at December 31, 2019</strong></td>
<td>$ 1,876</td>
</tr>
<tr>
<td><strong>Change in fair value</strong></td>
<td>11,256</td>
</tr>
<tr>
<td><strong>Reclassification of Series B Tranche Rights upon settlement</strong></td>
<td>(13,132)</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2020</strong></td>
<td>$ —</td>
</tr>
</tbody>
</table>

6. Redeemable Convertible Preferred Stock

At September 30, 2020, the Company had 180,725,292 shares of preferred stock, par value $0.0001 per share, in authorized capital, which consisted of 76,499,992 authorized, issued and outstanding shares of Series A-1 and 104,225,300 authorized, issued and outstanding shares of Series B.

Upon the closing of the IPO on October 6, 2020, all of the outstanding shares of Series A-1 and Series B automatically converted into an aggregate of 14,951,519 shares of common stock at the applicable conversion ratio then in effect. Subsequent to the closing of the IPO, there were no shares of preferred stock outstanding. In connection with the closing of the IPO, the Company changed its authorized capital to include 10,000,000 shares of undesignated preferred stock with a par value of $0.0001 per share.
Issuance of Series B Redeemable Convertible Preferred Stock

In August 2019, the Company authorized and agreed to sell 92,477,021 shares of Series B in two tranches. The first tranche closed on dates between August 5, 2019 and August 27, 2019. On those dates, the Company sold a total of 55,486,215 shares of Series B at $0.8597 per share, for gross proceeds to the Company of $47.7 million. In November 2019, the Company authorized and agreed to sell 11,748,279 additional shares of its Series B to new investors on the same terms and conditions as the previous sale of Series B. The first tranche of this sale occurred on November 27, 2019, in which the Company sold 7,048,968 shares of Series B for gross proceeds of $6.1 million. The Company paid $0.4 million of issuance costs related to these sales.

In September 2020, the Company achieved the second tranche milestones related to the clinical development of its lead product candidate, ONCR-177. Upon achievement of the milestones, the Series B investors became obligated to purchase additional shares of Series B in a second tranche closing and the Company issued an aggregate of 41,690,117 shares of Series B at $0.8597 per share, for gross proceeds to the Company of $35.8 million. Upon closing of the second tranche, the Company considered whether there was any potential beneficial conversion feature, concluding that there was not, as the effective conversion price of the Series B was in excess of the fair value of the Company’s common stock.

The following is a description of the rights and privileges of the Series B and A-1 prior to their conversion to common stock upon the IPO in October 2020:

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the affairs of the Company or Deemed Liquidation Event (as defined below), each holder of a share of Series B was entitled to receive, prior and in preference to any distribution of any assets or surplus funds of the Company to the holders of Series A-1 and common stock, an amount equal to $0.8597 per share, plus any accrued but unpaid dividends. After payment of the full liquidation preference to the holders of Series B, each holder of a share of Series A-1 was entitled to receive, in preference to any distribution of any of the assets or surplus funds of the Company to the holders of common stock, an amount equal to an issuance price of $0.80 per share, plus any accrued but unpaid dividends. If upon such liquidation event, the assets of the Company available for distribution were insufficient to permit payment in full to the holders of the Series B, the proceeds were to be ratably distributed among the holders of Series B. If the assets of the Company available for distribution were sufficient to pay the Series B holders in full, but insufficient to permit payment in full to the holders of Series A-1, the remaining proceeds were to be ratably distributed among the holders of Series A-1. Any remaining proceeds after full payment to the holders of Series B and Series A-1 that were available to the holders of Series B, Series A-1 and common stock were to be shared proportionately on an as-converted basis. As of September 30, 2020, the aggregate liquidation value of the Series B and A-1 shares was $94.5 million and $68.4 million, respectively.

Unless otherwise elected by 68% of the Series B holders, including certain identified Series B holders, a merger or consolidation involving the Company in which the stockholders of the Company did not own a majority of the outstanding shares of the surviving company was considered to be a Deemed Liquidation Event. A sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company was also considered a Deemed Liquidation Event.

Redemption

Upon the demand of the holders of at least 68% of the then outstanding shares of Series B, including certain identified Series B holders, but not prior to August 5, 2026, the Company had the obligation to redeem from each holder of Series B and Series A-1 on an equal basis, in three annual installments, the then outstanding shares of Series B and A-1 at an amount equal to the greater of (a) the Series B and A-1 at their original issue prices of $0.8597 and $0.80 per share, respectively, plus any declared but unpaid dividends or (b) the then fair market value of the Series B and Series A-1 on the date of receipt of the redemption request. This redemption feature resulted in the Series B and Series A-1 being redeemable at the option of the holder (based on the passage of time). As a result, the Series B and Series A-1 were recorded outside of permanent equity and subject to subsequent measurement under the guidance provided under ASC 480-10-S99. While the Series B and Series A-1 were not currently redeemable, the Series B and Series A-1 were probable of becoming redeemable, and the Company elected to recognize changes in the redemption amount over the period from the date of issuance to the earliest possible
redemption date of the Series B and Series A-1. Changes in the redemption amount were recognized as a deemed dividend and presented as a reduction to income attributable to common stockholders.

Conversion
Each share of Series B and Series A-1 was convertible at the option of the holder at any time and without the payment of any additional consideration into that number of fully paid and non-assessable shares of common stock as was determined by dividing the original issue price of the Series B or Series A-1 by the conversion price in effect at the time of conversion. The initial conversion prices of the Series B and Series A-1 were equal to the original issuance prices of the Series B and Series A-1, respectively.

All outstanding shares of Series B and Series A-1 were automatically convertible into common stock, based upon either: (i) the vote or written consent of holders of at least 68% of the Series B outstanding at that time, including certain identified Series B holders, or (ii) the closing of a firm commitment, underwritten initial public offering, in which the aggregate proceeds to the Company were at least $50.0 million, and having a valuation of the Company, immediately prior to the IPO, of at least $200.0 million. On October 6, 2020, all shares of Series B and Series A-1 converted at a rate of 0.0827 shares of common stock for each share of convertible preferred stock.

Pay to Play Requirement
All Series B holders were subject to a pay-to-play clause according to which non-participating investors in the second tranche described above would be required to convert all their Series B to common stock at a conversion ratio of one share of common stock for every 10 shares of Series B.

All Series A-1 investors were subject to a pay-to-play clause according to which non-participating investors in later tranches of Series A-1 offering would be required to convert all their shares of Series A-1 to common stock at the then applicable conversion ratio. As of September 6, 2018, three investors chose not to participate in the Company's second tranche of its Series A-1 offering and had an aggregate of 168,750 shares of Series A-1 converted into an aggregate of 13,959 shares of the Company's common stock.

Voting Rights
The holders of Series B were entitled to vote, together with the holders of Series A-1 and common stock, on all matters submitted to stockholders for a vote. Each share of Series B and Series A-1 were entitled to the number of votes equal to the number of shares of common stock into which each share of Series B and Series A-1 were convertible at the time of such vote. At all times during which at least 2,250,000 shares of Series A-1 remained outstanding, the holders of the outstanding shares of Series A-1 had the exclusive right, separately from the Series B and common stock, to elect three directors of the Company. The holders of the Series B had the right, exclusively and as a separate class, to elect one director of the Company.

Dividends
Series B holders were entitled to receive dividends at an annual rate of $0.06877 per share, which accrued from day to day, whether or not such dividends were declared by the Board of Directors, and were cumulative. The dividends were payable only when and if declared by the Board of Directors. The Company could not declare, pay or set aside any dividends on any other shares of capital stock unless the Series B holders first received, or simultaneously received, a dividend in an amount at least equal to the amount of the aggregate accumulated dividends that were accrued but not previously paid, or an amount equal to a formula, which was tied to dividends paid on other classes of stock.

Holders of the Series A-1 were entitled to dividends at an annual rate of $0.064 per share. Prior to the issuance of the Series B, Series A-1 dividends were payable only when, as, and if declared by the Board of Directors, and the Company was under no obligation to pay any dividends. Upon the issuance of Series B, the Series A-1 dividend terms were modified such that the Series A-1 dividends became cumulative and began accruing from the dates of original issuance of the Series A-1. Dividends were first payable to the Series B holders and, thereafter, to the holders of Series A-1 in the same manner as in the case of Series B (i.e., accrued dividends not yet paid or a payment formula tied to dividends paid on other classes of stock). That is, upon declaring a dividend to common stock, the holders of the Series B and Series A-1 had a right to receive (i) any unpaid cumulative dividends or (ii) dividends that functioned on an “as-if” converted basis, with the Series B holders having a dividend preference over the holders of Series A-1 in the order of payout.
No dividends were paid to the holders of Series B or Series A-1 prior to the conversion of the convertible preferred stock into common stock in connection with the IPO.

7. Common Stock
Each share of common stock is entitled to one vote. The holders of shares of common stock are entitled to receive dividends, if and when declared by the Board of Directors. Prior to the IPO, the voting, dividend, and liquidation rights of the holders of common stock were subject to, and qualified by, the rights, powers, and preferences of the holders of Series B and Series A-1 as described above.

Upon the closing of the IPO, Company changed its authorized capital stock to include 100,000,000 shares designated as common stock with a par value of $0.0001 per share.

Restricted Stock
The Company issued restricted stock to its founders and certain officers of the Company. In general, the shares of restricted stock vest over a four-year period, with 25% of the shares vesting after one year, followed by monthly vesting over the remaining three years. A summary of non-vested restricted stock during the nine months ended September 30, 2020 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>AMOUNT</th>
<th>WEIGHTED-AVERAGE GRANT DATE FAIR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2019</td>
<td>41,602</td>
<td>$1.57</td>
</tr>
<tr>
<td>Repurchases</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuances</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vested</td>
<td>(19,197)</td>
<td>1.57</td>
</tr>
<tr>
<td>Balance at September 30, 2020</td>
<td>22,405</td>
<td>$1.57</td>
</tr>
</tbody>
</table>

Common Stock Warrants
The Company issued warrants to purchase common stock (the “Common Stock Warrants”) in connection with its Series A financing in March 2016. The Common Stock Warrants allow for the holders to purchase 71,544 shares of common stock at $1.21 per share. As of September 30, 2020, all of the Common Stock Warrants were fully exercisable. The Common Stock Warrants expire in 2031.

Reserved Shares
The Company had reserved shares of common stock for the conversion or exercise of the following securities:

<table>
<thead>
<tr>
<th></th>
<th>SEPTMBER 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of Series A-1</td>
<td>6,328,894</td>
</tr>
<tr>
<td>Conversion of Series B</td>
<td>8,622,625</td>
</tr>
<tr>
<td>Exercise of Common Stock Warrants</td>
<td>71,544</td>
</tr>
<tr>
<td>Exercise of options to purchase common stock</td>
<td>2,109,151</td>
</tr>
<tr>
<td>Vesting of restricted stock</td>
<td>22,405</td>
</tr>
<tr>
<td>Shares available for issuance under the 2016 Plan</td>
<td>19,048</td>
</tr>
<tr>
<td>Total</td>
<td>17,173,667</td>
</tr>
</tbody>
</table>

8. Equity Incentive Plan
The Company adopted the 2016 Equity Incentive Plan, as amended, (the “2016 Plan”) on March 31, 2016. The 2016 Plan provided for the granting of stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock awards to employees, directors and non-employees. The Company reserved

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2,736,105 shares of common stock for grants under the 2016 Plan. All option awards were granted with an exercise price equal to or greater than the market price of the Company's stock at the date of grant. Option awards generally vest over three to four years. Certain option awards provide for accelerated vesting if there is a change in control as defined in the 2016 Plan.

On September 23, 2020, the Company adopted the 2020 Equity Incentive Plan ("the 2020 Plan"), which became effective upon the execution of the underwriting agreement related to the IPO and will serve as the successor to the 2016 Plan. The 2020 Plan authorizes the award of stock options, restricted stock awards ("RSAs"), stock appreciation rights ("SARs"), restricted stock units ("RSUs"), cash awards, performance awards and stock bonus awards. Under the 2020 Plan, 2,800,000 shares of common stock, plus any reserved shares not issued or subject to outstanding grants under the 2016 Plan on the effective date of the 2020 Plan are reserved for issuance pursuant to awards granted under the 2020 Plan. The number of shares reserved for issuance under the 2020 Plan will increase automatically on January 1 of each fiscal year, starting on January 1, 2021 and ending on and including January 1, 2030, by the number of shares equal to 5% of the aggregate number of outstanding shares of common stock as of the immediately preceding December 31, or a lesser number of shares as may be determined by the board of directors (or an authorized committee thereof). Total stock-based compensation (including both stock option awards and restricted stock awards) was as follows:

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED SEPTEMBER 30, 2020</th>
<th>THREE MONTHS ENDED SEPTEMBER 30, 2019</th>
<th>NINE MONTHS ENDED SEPTEMBER 30, 2020</th>
<th>NINE MONTHS ENDED SEPTEMBER 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and administrative</td>
<td>$172</td>
<td>$112</td>
<td>$512</td>
<td>$255</td>
</tr>
<tr>
<td>Research and development</td>
<td>$168</td>
<td>89</td>
<td>447</td>
<td>156</td>
</tr>
<tr>
<td>Total stock-based...</td>
<td>$340</td>
<td>$201</td>
<td>$959</td>
<td>$411</td>
</tr>
</tbody>
</table>

Total stock-based compensation by award type was as follows:

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED SEPTEMBER 30, 2020</th>
<th>THREE MONTHS ENDED SEPTEMBER 30, 2019</th>
<th>NINE MONTHS ENDED SEPTEMBER 30, 2020</th>
<th>NINE MONTHS ENDED SEPTEMBER 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted stock</td>
<td>$8</td>
<td>$27</td>
<td>$24</td>
<td>$89</td>
</tr>
<tr>
<td>Stock options</td>
<td>332</td>
<td>174</td>
<td>935</td>
<td>322</td>
</tr>
<tr>
<td>Total stock-based...</td>
<td>$340</td>
<td>$201</td>
<td>$959</td>
<td>$411</td>
</tr>
</tbody>
</table>

In November 2018, the Company granted an employee an option to purchase 85,943 shares of the Company’s common stock having an exercise price per share equal to the fair value of the Company’s common stock on the date of the grant. This grant is included in the outstanding options in the summary table below. Vesting of the option is based on certain performance criteria and shall vest as follows: (i) 16.66% of the shares vested upon the first closing of the Company’s Series B stock financing, (ii) 33.33% of the shares vest in 24 equal monthly installments beginning with the first month following the initial closing of the Series B stock financing, (iii) 25% of the shares vested upon the IPO and (iv) 25% of the shares vest in 24 equal monthly installments beginning with the first month following the IPO. Upon the closing of the Series B financing in August 2019, the option vested immediately with respect to 14,323 shares, and an additional 28,647 option shares began vesting over the following 24 months. Upon the closing of the IPO in October 2020, the option vested immediately with respect to 21,485 shares and the remainder began vesting at that time.

In September 2020, the Company granted, contingent upon the Company entering into an underwriting agreement related to the IPO, certain employee options to purchase a total of 363,150 shares of the Company’s common stock.
having an exercise price equal to the IPO price. These options were granted on October 1, 2020, are not included in the table below and no stock compensation was recorded for these grants as of September 30, 2020.

A summary of option activity is presented below:

<table>
<thead>
<tr>
<th>Shares</th>
<th>Weighted Average Exercise Price</th>
<th>Weighted-Average Remaining Contractual Term (Years)</th>
<th>Aggregate Intrinsic Value (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding at December 31, 2019</td>
<td>1,991,066</td>
<td>$3.41</td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>182,147</td>
<td>7.47</td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(64,062)</td>
<td>1.70</td>
<td></td>
</tr>
<tr>
<td>Canceled, expired or forfeited</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Outstanding at September 30, 2020</td>
<td>2,109,151</td>
<td>$3.81</td>
<td>8.4</td>
</tr>
<tr>
<td>Vested at September 30, 2020</td>
<td>791,272</td>
<td>$2.70</td>
<td>7.8</td>
</tr>
</tbody>
</table>

The weighted average grant date fair value per share of options granted to employees, directors and non-employee consultants during the nine months ended September 30, 2020 and 2019 was $5.36 and $3.24, respectively. Total unrecognized compensation expense related to stock options amounted to $3.8 million at September 30, 2020 and is expected to be incurred over a weighted-average period of 3.0 years.

The total fair value of restricted shares vested during the nine months ended September 30, 2020 and 2019 was $0.02 million and $0.09 million, respectively.

At September 30, 2020, there were 19,048 shares of common stock available for grant under the 2016 Plan.

On September 23, 2020, the Company adopted the 2020 Employee Stock Purchase Plan, or the ESPP, which became effective upon the execution of the underwriting agreement related to the IPO. The Company has initially reserved 280,000 shares of common stock for sale under the ESPP. The aggregate number of shares reserved for sale under the ESPP will increase automatically on January 1st of each fiscal year starting on January 1, 2021 and ending on and including January 1, 2030, by the number of shares equal to the lesser of (a) 1% of the total number of shares of common stock outstanding on the last day of the fiscal year prior to the date of such automatic increase and (b) 560,000 shares, provided that prior to the date of any such increase, the board of directors may determine a less number of shares for such increase.

9. Commitments and Contingencies

Leases

In May 2016, the Company entered into an operating lease agreement for its corporate headquarters in Cambridge, Massachusetts, with a seven-year term that expires in January 2024. Rental payments related to the lease commenced in January 2017.

In connection with this lease, the Company was entitled to cash incentives from the landlord to be used for the construction of leasehold improvements within the facility. The Company received $2.7 million of such incentives, which were recorded as deferred rent on the balance sheet and are being amortized to rent expense over the lease term.

The Company recognizes rent expense on a straight-line basis over the lease period and has recorded deferred rent for rent expense incurred but not yet paid. The Company recorded rent expense related to office and lab space under the lease of $0.4 million for each of the three months ended September 30, 2020 and 2019 and $1.1 million of rent expense for each of the nine months ended September 30, 2020 and 2019. The amount of variable rent expense for these periods was immaterial.
Future minimum lease payments for the Company’s operating leases as of September 30, 2020 were as follows (in thousands):

<table>
<thead>
<tr>
<th>YEARS ENDING DECEMBER 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 (three months remaining)</td>
</tr>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>2022</td>
</tr>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td>2024</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

License and Royalty Agreements

The Company has entered into license and royalty agreements for intellectual property with certain parties. Such arrangements require ongoing payments, including payments upon the achievement of certain development, regulatory and commercial milestones, receipt of sublicense income, as well as royalties on commercial sales.

Payments under these arrangements are expensed as incurred. In connection with the first patient dosing in the Company’s clinical trial in June 2020, the Company became obligated to make certain milestone payments totaling $0.8 million.

The Company’s material license and collaboration agreements are summarized below.

Ospedale San Raffaele S.r.l. and Fondazione Telethon

In December 2015, the Company entered into a license agreement with Ospedale San Raffaele S.r.l. and Fondazione Telethon, as amended, for the use of certain patents and technology. The Company made an initial payment of $0.1 million, which amount was recorded as research and development expense. Under the terms of the license, the Company is required to pay an annual maintenance fee, up to $3.9 million in milestone payments for the first indication, up to $5.7 million in milestone payments for each subsequent indication and a low single digit tiered royalty on net sales of any covered products. The agreement terminates upon the expiration of the last remaining royalty obligation for a licensed product.

University of Pittsburgh

In March 2016, the Company entered into a license agreement, as amended, with University of Pittsburgh for the use of certain patents and technology. The Company made an initial payment of $0.1 million, which amount was recorded as research and development expense. Under the terms of the license, the Company is required to pay an annual maintenance fee and up to $2.6 million in milestone payments through first commercial product sale and a low single digit royalty on net product revenue, subject to annual minimum amounts, through the expiration of the patent claims.

Northwestern University

In December 2018, the Company entered into a license agreement with Northwestern University for the use of certain patents and technology. The Company made an initial payment of $0.1 million, which amount was recorded as research and development expense. Under the terms of the license, the Company is required to pay an annual maintenance fee and up to $4.1 million in milestone payments through the first commercial product sale and an annual low single digit royalty on net sales, subject to annual minimum amounts, through the later of ten years from the first commercial sale or the expiration of the patent claims.

WuXi Biologics Ireland Limited

In July 2019, the Company entered into a license agreement with this entity for the use of certain patents and technology. Under the terms of the license, the Company agreed to an initial license payment of $0.3 million and is required to pay milestone payments for the first product developed, as well as additional products, in addition to royalties on net product revenue. For the first product developed, the Company is required to pay up to $8.0 million in certain clinical milestone payments. For the first three products developed, the Company is also required to pay up to $27.0 million in commercial milestone payments for each product that achieves specified net sales levels.
along with product approvals in several countries. The Company also agreed to pay tiered royalties on net sales of licensed products ranging in the low-single digits. The obligation to pay royalties under the license agreement expires on a licensed product-by-licensed product and country-by-country basis upon expiry of the last valid claim of the licensed patents that cover such licensed product in such country.

**Related Party License and Royalty Agreements**

In connection with the prior sale of Series A redeemable convertible preferred stock, which was later converted to Series A-1, certain investors are entitled to receive, in the aggregate, a royalty from the Company equal to 1% of net sales of Company products discovered or developed prior to an IPO by the Company. The royalty obligation expires upon the later of twelve years from the first commercial sale or the expiration of the patent.

Also in connection with the sale of Series A redeemable convertible preferred stock, the Company entered into a patent assignment agreement with an investor under which that investor would receive $1.0 million upon regulatory approval of a product in the United States and an annual low single-digit royalty on net product revenue. The Company is not currently developing any product candidates using the patent that was assigned to the Company.

In September 2016, the Company entered into a sublicense agreement with an entity affiliated with a stockholder of the Company for the use of certain patents and technology. Under the terms of the license, the Company is required to pay up to $7.6 million in milestone payments through first commercial product sale and an annual mid-single digit royalty on net sales through the expiration of the patent claims. This agreement was terminated in May 2020.

**Litigation**

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

10. **Net Loss Per Share**

The following securities that could potentially dilute basic net loss per share in the future were not included in the computation of diluted net loss per share for the periods presented, because to do so would have been antidilutive:

<table>
<thead>
<tr>
<th>Security Type</th>
<th>THREE MONTHS ENDED SEPTEMBER 30, 2020</th>
<th>NINE MONTHS ENDED SEPTEMBER 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A-1</td>
<td>6,328,894</td>
<td>6,328,894</td>
</tr>
<tr>
<td>Series B</td>
<td>8,622,625</td>
<td>4,590,404</td>
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<tr>
<td>Outstanding stock options</td>
<td>2,109,151</td>
<td>1,936,493</td>
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<td>Restricted stock</td>
<td>22,405</td>
<td>57,828</td>
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<td>Common stock warrants</td>
<td>71,544</td>
<td>71,544</td>
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<tr>
<td><strong>Total</strong></td>
<td>17,154,619</td>
<td>12,985,163</td>
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11. **Subsequent Events**

The Company has evaluated subsequent events from the balance sheet date through the date on which these financial statements were issued. Subsequent to the issuance of the financial statements, the following events occurred and required disclosure in, or revision to, the financial statements:

On October 6, 2020, the Company completed the IPO, in which the Company issued and sold 5,800,000 shares of its common stock at a public offering price of $15.00 per share. On October 14, 2020, the Company sold an additional 757,991 shares of common stock at $15.00 per share pursuant to the underwriters’ partial exercise of their option to purchase additional shares of common stock. The total gross proceeds of the IPO were $98.4 million and the Company raised approximately $88.3 million in net proceeds after deducting underwriting discounts and commissions and offering expenses payable by the Company. Upon the closing of the IPO, all of the outstanding

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shares of Series A-1 and Series B convertible preferred stock converted into an aggregate of 14,951,519 shares of common stock at the applicable conversion ratio then in effect and the Company changed its authorized capital stock to 100,000,000 shares designated as common stock, and 10,000,000 shares designated as preferred stock, all with a par value of $0.0001 per share.

On December 29, 2020, the Company entered into a lease agreement for approximately 33,518 square feet, or the Pod 4 Portion, and approximately 54,666 square feet, or the Pod 5 Portion, of a manufacturing facility located in Andover, Massachusetts. The lease contains a free rent period for each of the Pod 4 Portion and the Pod 5 Portion. The term of the lease will continue for 15 years from the date the monthly rent for the Pod 5 Portion commences, or approximately December 31, 2036, unless earlier terminated in accordance with the terms of the lease. The Company has two options to extend the term of the lease for the entire premises for a period of 10 years each, with rent during the extended term being based on the then-prevailing market rental rate.

Under the lease, the monthly rent payments for the Pod 4 Portion are expected to commence on October 1, 2021, reflecting an approximately nine-month rent-free period following the execution of the lease. The Company has a right to occupy the Pod 4 Portion prior to the Pod 4 rent commencement date, subject to the completion of tenant improvements, and would be responsible for proportional base rent payments, utilities, and the Company’s proportionate share of operating costs and taxes attributable to the Pod 4 Portion, provided that such payments of base rent for the occupancy of the Pod 4 Portion would commence no earlier than July 1, 2021 in any event. Beginning on the Pod 4 rent commencement date, the Company will be obligated to make monthly base rent payments, which will initially be approximately $0.1 million and will increase to approximately $0.2 million during the initial term of the lease. The monthly rent payments for the Pod 5 Portion are expected to commence on January 1, 2022, reflecting an approximately one-year rent-free period following the execution of the lease. Beginning on the Pod 5 rent commencement date, the Company will be obligated to make monthly base rent payments, which will initially be approximately $0.2 million and will increase to approximately $0.3 million during the initial term of the lease. The total lease commitment is expected to be approximately $72.0 million over the 15-year term. The Company also agreed to provide the landlord with a $2.9 million letter of credit as support for its obligations under the lease.
PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount to Be Paid</th>
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</thead>
<tbody>
<tr>
<td>SEC registration fee</td>
<td>$9,546</td>
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<tr>
<td>FINRA filing fee</td>
<td>13,625</td>
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<tr>
<td>Printing and engraving expenses</td>
<td>150,000</td>
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<tr>
<td>Legal fees and expenses</td>
<td>275,000</td>
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<tr>
<td>Accounting fees and expenses</td>
<td>120,000</td>
</tr>
<tr>
<td>Transfer agent and registrar fees</td>
<td>5,000</td>
</tr>
<tr>
<td>Miscellaneous fees and expenses</td>
<td>26,829</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$600,000</strong></td>
</tr>
</tbody>
</table>


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 are required to 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, or the Securities Act.

We have obtained directors’ and officers’ liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, and plan to expand such coverage to include matters arising under the securities laws prior to the completion of this offering.

In addition, the underwriting agreement related to this offering will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise. Our amended and restated investors’ rights agreement with certain stockholders also provides for cross-indemnification in connection with the registration of our common stock on behalf of such investors.

Item 15. Recent Sales of Unregistered Securities.

The following list sets forth information regarding all unregistered securities issued by us since January 1, 2018 through the date of the prospectus that is a part of this registration statement:

Issuances of Common Stock
In September 2018, we issued 13,959 shares of our common stock to three accredited investors upon conversion of 168,750 shares of Series A-1 convertible preferred stock. The issuances were exempt from registration in reliance on Section 3(a)(9) of the Securities Act.

Issuances of Options to Purchase Common Stock and Restricted Common Stock
From January 1, 2018 through October 1, 2020, we granted stock options under our 2016 Stock Incentive Plan, as amended, or our 2016 Plan, to purchase up to an aggregate of 2,352,024 shares of our common stock to our employees, directors, and consultants (of which 19,123 options have expired or been canceled), at a weighted average exercise price of $5.75 per share. From January 1, 2018 through October 1, 2020, 109,631 shares of our common stock were issued upon the exercise of options and the payment of $182,479 in aggregate exercise price.

From January 1, 2018 through October 1, 2020, we did not grant any restricted common stock (net of repurchases) to employees.

On October 1, 2020, our 2020 Equity Incentive Plan, or the 2020 Plan, became effective, and, as a result, no further awards were made under our 2016 Plan. From October 1, 2020 through October 9, 2020, we granted stock options under our 2020 Plan to purchase up to an aggregate of 377,627 shares of our common stock to our employees, directors, and consultants (net of expirations and cancellations) with an exercise price of $15.00 per share.

The offers, sales and issuances of the securities described in the preceding three paragraphs were deemed to be exempt from registration under Rule 701, in that the transactions were under compensatory benefit plans and contracts relating to compensation. The recipients of such securities were our employees, directors or consultants and received the securities under our equity incentive plans. Appropriate legends were affixed to the securities issued in these transactions.

Issuances of Preferred Stock and Common Stock Warrants
In September 2018, we issued and sold an aggregate of 53,265,618 shares of Series A-1 convertible preferred stock to 17 accredited investors at $0.80 per share for aggregate consideration of $42.6 million.

In August 2019, November 2019 and September 2020, we issued and sold an aggregate of 104,225,300 shares of Series B convertible preferred stock to 30 accredited investors at $0.8597 per share for aggregate consideration of $89.6 million.
The offers, sales and issuances of the securities described in the preceding paragraphs were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D promulgated thereunder as a transaction by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was either an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act or had adequate access, through employment, business or other relationships, to information about us. None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering.

#### Exhibits

<table>
<thead>
<tr>
<th>EXHIBIT NO.</th>
<th>DESCRIPTION</th>
<th>FORM</th>
<th>FILE NO.</th>
<th>EXHIBIT</th>
<th>FILING DATE</th>
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<tbody>
<tr>
<td>1.1*</td>
<td>Form of Underwriting Agreement.</td>
<td>8-K</td>
<td>001-39575</td>
<td>3.1</td>
<td>October 6, 2020</td>
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<td>3.1</td>
<td>Amended and Restated Certificate of Incorporation.</td>
<td>8-K</td>
<td>001-39575</td>
<td>3.2</td>
<td>October 6, 2020</td>
</tr>
<tr>
<td>4.1</td>
<td>Third Amended and Restated Investors’ Rights Agreement by and among the registrant and certain of its stockholders, dated as of August 5, 2019, as amended November 18, 2019.</td>
<td>S-1</td>
<td>333-248757</td>
<td>4.1</td>
<td>September 11, 2020</td>
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<td>4.2</td>
<td>Form of Common Stock Certificate.</td>
<td>S-1/A</td>
<td>333-248757</td>
<td>4.2</td>
<td>September 28, 2020</td>
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<td>4.3</td>
<td>Form of Common Stock Warrant Agreement.</td>
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<td>333-248757</td>
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<td>September 11, 2020</td>
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<td>5.1*</td>
<td>Opinion of Cooley LLP.</td>
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<td>10.1</td>
<td>September 11, 2020</td>
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<tr>
<td>10.1</td>
<td>Form of Indemnification Agreement between the registrant and its directors and officers</td>
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<td>2016 Equity Incentive Plan, as amended.</td>
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<td>September 11, 2020</td>
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<tr>
<td>10.3+</td>
<td>Form of Stock Option Grant Notice and Option Agreement for the 2016 Equity Incentive Plan, as amended.</td>
<td>S-1</td>
<td>333-248757</td>
<td>10.4</td>
<td>September 11, 2020</td>
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<tr>
<td>10.4+</td>
<td>Form of Restricted Stock Grant Notice and Restricted Stock Agreement for the 2016 Equity Incentive Plan, as amended.</td>
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<td>333-248757</td>
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<td>Form of Stock Option Grant Notice and Option Agreement for the 2020 Equity Incentive Plan.</td>
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<td>September 28, 2020</td>
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<td>Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement for the 2020 Equity Incentive Plan.</td>
<td>S-8</td>
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<td>October 9, 2020</td>
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<td>10.9+</td>
<td>Amended and Restated Employment Agreement by and between the registrant and Mitchell Finer, dated as of August 8, 2018, as amended November 14, 2018 and April 6, 2020.</td>
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<td>September 11, 2020</td>
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<td>FILING DATE</td>
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<td>10.12</td>
<td>Employment Agreement by and between the registrant and Steve Harbin, dated as of December 7, 2020</td>
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<td>10.12</td>
<td>September 11, 2020</td>
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<tr>
<td>10.13†</td>
<td>License Agreement by and between the registrant, Ospedale San Raffaele S.r.l. and Fondazione Telethon, dated as of December 22, 2015, as amended June 30, 2017</td>
<td>S-1</td>
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<td>10.15†</td>
<td>Biomaterials License Agreement by and between the registrant and the University of Pittsburgh, dated as of September 28, 2016.</td>
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<td>10.16†</td>
<td>Non-Exclusive License Agreement by and between the registrant and The Washington University, dated as of July 7, 2016.</td>
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<td>September 11, 2020</td>
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<td>10.17†</td>
<td>License Agreement by and between the registrant and Northwestern University, dated as of December 11, 2018, amended as of September 26, 2019.</td>
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<td>333-248757</td>
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<td>10.18†</td>
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<td>10.19†</td>
<td>Royalty Transfer Agreement by and among the registrant, MPM Foundation and UBS Foundation, dated as of March 31, 2016.</td>
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<td>10.20</td>
<td>Hampshire Street Lease by and between the registrant and BMR-Hampshire LLC, dated as of May 10, 2016, as amended November 17, 2016.</td>
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<td>10.21*</td>
<td>Lease Agreement by and between IQHO-4 Corporate, LLC and the Company, dated as of December 29, 2020.</td>
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<td>September 11, 2020</td>
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<td>23.1*</td>
<td>Consent of Independent Registered Public Accounting Firm.</td>
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<td>September 11, 2020</td>
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<td>23.2*</td>
<td>Consent of Cooley LLP (included in Exhibit 5.1)</td>
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<td>September 11, 2020</td>
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<td>Power of Attorney (see signature page to the registration statement).</td>
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<td>September 11, 2020</td>
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<td>101.INS*</td>
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### Table of Contents

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<tr>
<th>EXHIBIT NO.</th>
<th>DESCRIPTION</th>
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* Filed herewith.
+ Indicates management contract or compensatory plan.
† Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K

### Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 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 of 1933, 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 of 1933, 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.
Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Cambridge, Massachusetts, on the 9th day of February, 2021.

ONCORUS, INC.

By: /s/ Ted Ashburn

Name: Theodore (Ted) Ashburn, M.D., PhD.

Title: President and Chief Executive Officer
KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Theodore (Ted) Ashburn, M.D., PhD. and John McCabe, and each of them, his true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (1) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (2) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (3) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (4) take any and all actions which may be necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Ted Ashburn</td>
<td>President, Chief Executive Officer and Director (Principal Executive Officer)</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ John McCabe</td>
<td>Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Mitchell Finer</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Scott Canute</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Luke Evnin</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Mary Kay Fenton</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Robert Kirkman</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Briggs Morrison</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Spencer Nam</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
<tr>
<td>/s/ Cameron Wheeler</td>
<td>Director</td>
<td>February 9, 2021</td>
</tr>
</tbody>
</table>
JEFFERIES LLC
EVERCORE GROUP L.L.C.
PIPER SANDLER & CO.
As Representatives of the several Underwriters

c/o JEFFERIES LLC
520 Madison Avenue
New York, New York 10022

c/o EVERCORE GROUP L.L.C.
55 East 52nd Street
New York, New York 10055

c/o PIPER SANDLER & CO.
U.S. Bancorp Center
800 Nicollet Mall
Minneapolis, Minnesota 55402

Ladies and Gentlemen:

Introductory. Oncorus, Inc., a Delaware corporation (the “Company”), proposes to issue and sell to the several underwriters named in Schedule A (the “Underwriters”) an aggregate of [•] shares of its common stock, par value $0.0001 per share (the “Shares”). The [•] Shares to be sold by the Company are called the “Firm Shares.” In addition, the Company has granted to the Underwriters an option to purchase up to an additional [•] Shares as provided in Section 2. The additional [•] Shares to be sold by the Company pursuant to such option are collectively called the “Optional Shares.” The Firm Shares and, if and to the extent such option is exercised, the Optional Shares are collectively called the “Offered Shares.” Jefferies LLC (“Jefferies”), Evercore Group L.L.C. (“Evercore”) and Piper Sandler & Co. (“Piper”) have agreed to act as representatives of the several Underwriters (in such capacity, the “Representatives”) in connection with the offering and sale of the Offered Shares. To the extent there are no additional underwriters listed on Schedule A, the term “Representatives” as used herein shall mean you, as Underwriters, and the term “Underwriters” shall mean either the singular or the plural, as the context requires.

The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) a registration statement on Form S-1, File No. 333-[•] which contains a form of prospectus to be used in connection with the public offering and sale of the Offered Shares. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in the form in which it became effective under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the “Securities Act”), including any information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A under the Securities Act, is called the “Registration Statement.” Any registration statement filed by the Company pursuant to Rule 462(b)
under the Securities Act in connection with the offer and sale of the Offered Shares is called the “Rule 462(b) Registration Statement,” and from and after the date and time of filing of any such Rule 462(b) Registration Statement the term “Registration Statement” shall include the Rule 462(b) Registration Statement. The prospectus, in the form first used by the Underwriters to confirm sales of the Offered Shares or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act, is called the “Prospectus.” The preliminary prospectus dated [•], 2021 describing the Offered Shares and the offering thereof is called the “Preliminary Prospectus,” and the Preliminary Prospectus and any other prospectus in preliminary form that describes the Offered Shares and the offering thereof and is used prior to the filing of the Prospectus is called a “preliminary prospectus.” As used herein, “Applicable Time” is [•][a][p].m. (New York City time) on [•], 2021. As used herein, “free writing prospectus” has the meaning set forth in Rule 405 under the Securities Act, and “Time of Sale Prospectus” means the Preliminary Prospectus together with the free writing prospectuses, if any, identified in Schedule B hereto and the pricing information identified in Schedule C hereto. As used herein, “Road Show” means a “road show” (as defined in Rule 433 under the Securities Act) relating to the offering of the Offered Shares contemplated hereby that is a “written communication” (as defined in Rule 405 under the Securities Act). As used herein, “Section 5(d) Written Communication” means each written communication (within the meaning of Rule 405 under the Securities Act) that is made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company to one or more potential investors that are qualified institutional buyers (“QIBs”) and/or institutions that are accredited investors (“IAIs”), as such terms are respectively defined in Rule 144A and Rule 501(a) under the Securities Act, to determine whether such investors might have an interest in the offering of the Offered Shares; “Section 5(d) Oral Communication” means each oral communication, if any, made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company to one or more QIBs and/or one or more IAIs to determine whether such investors might have an interest in the offering of the Offered Shares; “Marketing Materials” means any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Offered Shares, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically); and “Permitted Section 5(d) Communication” means the Section 5(d) Written Communication(s) and Marketing Materials listed on Schedule D attached hereto.

All references in this Agreement to (i) the Registration Statement, any preliminary prospectus (including the Preliminary Prospectus), or the Prospectus, or any amendments or supplements to any of the foregoing, or any free writing prospectus, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”) and (ii) the Prospectus shall be deemed to include any “electronic Prospectus” provided for use in connection with the offering of the Offered Shares as contemplated by Section 3(n) of this Agreement.

In the event that the Company has only one subsidiary, then all references herein to “subsidiaries” of the Company shall be deemed to refer to such single subsidiary, mutatis mutandis.

The Company hereby confirms its agreements with the Underwriters as follows:

Section 1. Representations and Warranties.

The Company hereby represents, warrants and covenants to each Underwriter, as of the date of this Agreement, as of the First Closing Date (as hereinafter defined) and as of each Option Closing Date (as hereinafter defined), if any, as follows:

(a) Compliance with Registration Requirements. The Registration Statement has become effective under the Securities Act. The Company has complied, to the Commission’s satisfaction with all requests of the Commission for additional or supplemental information, if any. No stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by the Commission.
(b) Disclosure. Each preliminary prospectus and the Prospectus when filed complied in all material respects with the Securities Act and, if filed by electronic transmission pursuant to EDGAR, was identical (except as may be permitted by Regulation S-T under the Securities Act) to the copy thereof delivered to the Underwriters for use in connection with the offer and sale of the Offered Shares. Each of the Registration Statement and any post-effective amendment thereto, at the time it became or becomes effective, complied and will comply in all material respects with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, the Time of Sale Prospectus (including any preliminary prospectus wrapper) did not, and at the First Closing Date (as defined in Section 2) and at each applicable Option Closing Date (as defined in Section 2), will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus (including any Prospectus wrapper), as of its date, did not, and at the First Closing Date and at each applicable Option Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the three immediately preceding sentences do not apply to statements in or omissions from the Registration Statement or any post-effective amendment thereto, or the Prospectus or the Time of Sale Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with written information relating to any Underwriter furnished to the Company in writing by the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the information described in Section 9(b) below. There are no contracts or other documents required to be described in the Time of Sale Prospectus or the Prospectus or to be filed as an exhibit to the Registration Statement which have not been described or filed as required.

(c) Free Writing Prospectuses; Road Show. As of the determination date referenced in Rule 164(h) under the Securities Act, the Company was not, is not or will not be (as applicable) an “ineligible issuer” in connection with the offering of the Offered Shares pursuant to Rules 164, 405 and 433 under the Securities Act. Each free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of Rule 433 under the Securities Act, including timely filing with the Commission, retention and legending, as applicable, and each such free writing prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered Shares did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or any preliminary prospectus unless such information has been superseded or modified as of such time. Except for the free writing prospectuses, if any, identified in Schedule B, and electronic road shows, if any, furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior written consent, prepare, use or refer to, any free writing prospectus. Each Road Show, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
(d) **Distribution of Offering Material By the Company.** Prior to the later of (i) the expiration or termination of the option granted to the several Underwriters in Section 2 and (ii) the completion of the Underwriters’ distribution of the Offered Shares, the Company has not distributed and will not distribute any offering material in connection with the offering and sale of the Offered Shares other than the Registration Statement, the Time of Sale Prospectus, the Prospectus or any free writing prospectus reviewed and consented to by the Representatives, the free writing prospectuses, if any, identified on Schedule B hereto and any Permitted Section 5(d) Communications.

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

(f) **Authorization of the Offered Shares.** The Offered Shares have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company against payment therefor pursuant to this Agreement, will be validly issued, fully paid and nonassessable, and the issuance and sale of the Offered Shares is not subject to any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase the Offered Shares.

(g) **No Applicable Registration or Other Similar Rights.** There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived.

(h) **No Material Adverse Change.** Except as otherwise disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, subsequent to the respective dates as of which information is given in the Registration Statement, the Time of Sale Prospectus and the Prospectus:

(i) there has been no material adverse change, or any development that would reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business, properties, operations, operating results, assets, liabilities or prospects, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity (any such change being referred to herein as a “Material Adverse Change”); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, including without limitation any losses or interference with their business from fire, explosion, flood, earthquakes, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute or court or governmental action, order or decree, that are material, individually or in the aggregate, to the Company and its subsidiaries, considered as one entity, and have not entered into any material transactions not in the ordinary course of business; and (iii) there has not been any material decrease in the capital stock or any material increase in any short-term or long-term indebtedness of the Company or its subsidiaries and there has been no dividend or distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries, by any of the Company’s subsidiaries on any class of capital stock, or any repurchase or redemption by the Company or any of its subsidiaries of any class of capital stock.

(i) **Independent Accountants.** Ernst & Young LLP, which has expressed its opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is (i) an independent registered public accounting firm as required by the Securities Act, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the “Exchange Act”), and the rules of the Public Company Accounting Oversight Board (“PCAOB”), (ii) in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act and (iii) a registered public accounting firm as defined by the PCAOB whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

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(j) Financial Statements. The financial statements filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations, changes in stockholders’ equity and cash flows for the periods specified. Such financial statements have been prepared in conformity with generally accepted accounting principles as applied in the United States applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. The interactive data in eXtensible Business Reporting Language included in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission’s rules and guidelines. No other financial statements or supporting schedules are required to be included in the Registration Statement, the Time of Sale Prospectus or the Prospectus. The financial data set forth in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus under the captions “[Prospectus Summary—Summary Financial Data],” “[Selected Financial Data]” and “[Capitalization]” fairly present, in all material respects, the information set forth therein on a basis consistent with that of the audited financial statements contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus. To the Company’s knowledge, no person who has been suspended or barred from being associated with a registered public accounting firm, or who has failed to comply with any sanction pursuant to Rule 5300 promulgated by the PCAOB, has participated in or otherwise aided the preparation of, or audited, the financial statements, supporting schedules or other financial data filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(k) Company’s Accounting System. The Company and each of its subsidiaries make and keep books and records that are accurate in all material respects and maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) the interactive data in eXtensible Business Reporting Language included in the Registration Statement, the Time of Sale Prospectus and the Prospectus fairly presents the information called for in all material respects and is prepared in accordance with the Commission’s rules and guidelines applicable thereto.

(l) Disclosure Controls and Procedures; Deficiencies in or Changes to Internal Control Over Financial Reporting. The Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company’s principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; and (ii) are effective in all material respects to perform the functions for which they were established. Since the end of the Company’s most recent audited fiscal year, there have been no significant deficiencies or material weaknesses in the Company’s internal control over financial reporting (whether or not remediated) and no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting. The Company is not aware of any change in its internal control over financial reporting that has occurred during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.
(m) **Incorporation and Good Standing of the Company.** The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement. The Company is duly qualified as a foreign corporation to transact business and is in good standing in the Commonwealth of Massachusetts and each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where a failure to be so qualified or in good standing would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on the condition (financial or otherwise), earnings, business, properties, operations, assets, liabilities or prospects of the Company (a “Material Adverse Effect”).

(n) **Subsidiaries.** The Company has no “significant subsidiaries” (as defined in Rule 1-02 of Regulation S-X under the Securities Act). Each of the Company’s “subsidiaries” (for purposes of this Agreement, as defined in Rule 405 under the Securities Act) has been duly incorporated or organized, as the case may be, and is validly existing as a corporation, partnership or limited liability company, as applicable, in good standing under the laws of the jurisdiction of its incorporation or organization and has the power and authority (corporate or other) to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, except where the failure to be in good standing would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Each of the Company’s subsidiaries is duly qualified as a foreign corporation, partnership or limited liability company, as applicable, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. All of the issued and outstanding capital stock or other equity or ownership interests of each of the Company’s subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and are owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim. None of the outstanding capital stock or equity interest in any subsidiary was issued in violation of preemptive or similar rights of any security holder of such subsidiary. The constitutive or organizational documents of each of the subsidiaries comply in all material respects with the requirements of applicable laws of its jurisdiction of incorporation or organization and are in full force and effect. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement.

(o) **Capitalization and Other Capital Stock Matters.** The authorized, issued and outstanding capital stock of the Company is as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption “Capitalization” (other than for subsequent issuances, if any, pursuant to employee benefit plans, or upon the exercise of outstanding options or warrants, in each case described in the Registration Statement, the Time of Sale Prospectus and the Prospectus). The Shares (including the Offered Shares) conform in all material respects to the description thereof contained in the Time of Sale Prospectus. All of the issued and outstanding Shares have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with all federal and state securities laws. None of the outstanding Shares were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. The descriptions of the Company’s stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus accurately and fairly presents, in all material respects, the information required to be shown with respect to such plans, arrangements, options and rights.
(p) Stock Exchange Listing. The Shares are registered pursuant to Section 12(b) or 12(g) of the Exchange Act and are listed on the Nasdaq Global Market ("Nasdaq") and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Shares under the Exchange Act or delisting the Shares from Nasdaq, nor has the Company received any notification that the Commission or Nasdaq is contemplating terminating such registration or listing. The Company is in compliance with all applicable listing requirements of Nasdaq.

(q) Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required. Neither the Company nor any of its subsidiaries is in violation of its charter or by-laws, partnership agreement or operating agreement or similar organizational documents, as applicable, or in default (or, with the giving of notice or lapse of time, would be in default) ("Default") under any indenture, loan, credit agreement, note, lease, license agreement, contract, franchise or other instrument (including, without limitation, any pledge agreement, security agreement, mortgage or other instrument or agreement evidencing, guaranteeing, securing or relating to indebtedness) to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of their respective properties or assets are subject (each, an "Existing Instrument"), except for such Defaults as could not be expected, individually or in the aggregate, to result in a Material Adverse Change. The Company’s execution, delivery and performance of this Agreement, consummation of the transactions contemplated hereby and by the Registration Statement, the Time of Sale Prospectus and the Prospectus and the issuance and sale of the Offered Shares (including the use of proceeds from the sale of the Offered Shares as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption “Use of Proceeds”) (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the charter or by-laws, partnership agreement or operating agreement or similar organizational documents, as applicable, of the Company or any subsidiary (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any of its subsidiaries, except in the case of clauses (ii) and (iii) as would not be expected, individually or in the aggregate, to result in a Material Adverse Effect. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the Company’s execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Registration Statement, the Time of Sale Prospectus and the Prospectus, except such as have been obtained or made by the Company and are in full force and effect under the Securities Act and such as may be required under applicable state securities or blue sky laws or applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. ("FINRA"). As used herein, a “Debt Repayment Triggering Event” means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(r) Compliance with Laws. The Company and its subsidiaries have been and are in compliance with all applicable laws, rules and regulations, except where failure to be so in compliance would not be expected, individually or in the aggregate, to result in a Material Adverse Effect.
(5) No Material Actions or Proceedings. There is no action, suit, proceeding, inquiry or investigation brought by or before any legal or governmental entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which could be expected, individually or in the aggregate, to result in a Material Adverse Change or materially and adversely affect the consummation of the transactions contemplated by this Agreement or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings to which the Company or any such subsidiary is a party or of which any of their respective properties or assets is the subject, including ordinary routine litigation incidental to the business, if determined adversely to the Company, would not reasonably be expected to have a Material Adverse Effect. No material labor dispute with the employees of the Company or any of its subsidiaries, or with the employees of any principal supplier, manufacturer, customer or contractor of the Company, exists or, to the knowledge of the Company, is threatened or imminent, which would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(1) Intellectual Property Rights. The Company owns, or has obtained valid and enforceable licenses for, the inventions, patent applications, patents, trademarks, trade names, service names, copyrights, trade secrets and other intellectual property described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as being owned or licensed by them or, to the Company’s knowledge, which are necessary for the conduct of their respective businesses as currently conducted or as currently proposed to be conducted (collectively, “Intellectual Property”), and to the Company’s knowledge, the conduct of the Company and its subsidiaries’ respective businesses does not currently infringe, misappropriate or otherwise conflict in any material respect with any such rights of others. The Intellectual Property of the Company has not been adjudged by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, and the Company is unaware of any facts which would form a reasonable basis for any such adjudication. To the Company’s knowledge: (i) there are no third parties who have rights to any Intellectual Property, except for customary reversionary rights of third-party licensors with respect to Intellectual Property that is disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus as licensed to the Company or one or more of its subsidiaries; and (ii) there is no infringement by third parties of any Intellectual Property. There is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others: (A) challenging the Company’s rights in or to any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; (B) challenging the validity, enforceability or scope of any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; or (C) asserting that the Company or any of its subsidiaries infringes or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the Time of Sale Prospectus or the Prospectus as under development, infringe or violate, any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim. The Company and its subsidiaries have complied with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or any subsidiary, and to the Company’s knowledge, all such agreements are in full force and effect. To the Company’s knowledge, there are no material defects in any of the patents or patent applications included in the Intellectual Property. To the Company’s knowledge, the Company and its subsidiaries have taken reasonable steps to protect, maintain and safeguard their Intellectual Property, including the execution of appropriate nondisclosure, confidentiality agreements and invention assignment agreements and invention assignments with their employees, and, to the Company’s knowledge, no employee of the Company is in or has been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement, or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee’s employment with the Company. To the Company’s knowledge, the duty of candor and good faith as required by the United States Patent and Trademark Office during the prosecution of the United
States patents and patent applications included in the Intellectual Property have been complied with; and to the Company’s knowledge, in all foreign offices having similar requirements, all such requirements have been complied with. To the Company’s knowledge, none of the Company’s owned Intellectual Property or technology (including information technology and outsourced arrangements) employed by the Company or its subsidiaries has been obtained or is being used by the Company or its subsidiary in violation of any contractual obligation binding on the Company or its subsidiaries or any of their respective officers, directors or employees or otherwise in violation of the rights of any persons. The product candidates described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as under development by the Company or any subsidiary fall within the scope of the claims of one or more patents owned by, or exclusively licensed to, the Company or any subsidiary.

(u) All Necessary Permits, etc. The Company and its subsidiaries possess such valid and current certificates, authorizations or permits required by state, federal or foreign regulatory agencies or bodies to conduct their respective businesses as currently conducted and as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus (“Permits”), except where failure to so possess would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries is in violation of, or in default under, any of the Permits or has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such certificate, authorization or permit, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(v) Title to Properties. The Company and its subsidiaries have good and marketable title to all of the real and personal property and other assets reflected as owned in the financial statements referred to in Section 1(k) above (or elsewhere in the Registration Statement, the Time of Sale Prospectus or the Prospectus), in each case free and clear of any security interests, mortgages, liens, encumbrances, equities, adverse claims and other defects, except where failure to so possess would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. The real property, improvements, equipment and personal property held under lease by the Company or any of its subsidiaries are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such real property, improvements, equipment or personal property by the Company or such subsidiary.

(w) Tax Law Compliance. The Company and its subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns or have properly requested extensions thereof and have paid all material taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them except as may be being contested in good faith and by appropriate proceedings. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 1(k) above in respect of all material federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its subsidiaries has not been finally determined.

(x) Insurance. Each of the Company and its subsidiaries is insured by recognized, financially sound and reputable institutions with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary for their businesses including, but not limited to, policies covering real and personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction, acts of vandalism and earthquakes and policies covering the Company and its subsidiaries for product liability claims and clinical trial liability claims. The Company has no reason to believe that it or any of its subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that could not be expected to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.
Compliance with Environmental Laws. Except as could not be expected, individually or in the aggregate, to result in a Material Adverse Effect: (i) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “Hazardous Materials”) or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, “Environmental Laws”); (ii) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements; (iii) there are no pending or, to the Company’s knowledge, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries; and (iv) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

ERISA Compliance. The Company and its subsidiaries and any “employee benefit plan” (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, “ERISA”)) established or maintained by the Company, its subsidiaries or their “ERISA Affiliates” (as defined below) are in compliance in all material respects with ERISA. “ERISA Affiliate” means, with respect to the Company or any of its subsidiaries, any member of any group of organizations described in Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the “Code”) of which the Company or such subsidiary is a member. No “reportable event” (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any “employee benefit plan” established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates. No “employee benefit plan” established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, if such “employee benefit plan” were terminated, would have any “amount of unfunded benefit liabilities” (as defined under ERISA). Neither the Company, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any “employee benefit plan” or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each employee benefit plan established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

Company Not an “Investment Company.” The Company is not, and will not be, either after receipt of payment for the Offered Shares or after the application of the proceeds therefrom as described under “Use of Proceeds” in the Registration Statement, the Time of Sale Prospectus or the Prospectus, required to register as an “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”).
(bb) No Price Stabilization or Manipulation; Compliance with Regulation M. Neither the Company nor any of its subsidiaries has taken, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in stabilization or manipulation of the price of the Shares or of any “reference security” (as defined in Rule 100 of Regulation M under the Exchange Act (“Regulation M”)) with respect to the Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and has taken no action which would directly or indirectly violate Regulation M.

(cc) Related-Party Transactions. There are no business relationships or related-party transactions involving the Company or any of its subsidiaries or any other person required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus that have not been described as required.

(dd) FINRA Matters. All of the information provided to the Underwriters or to counsel for the Underwriters by the Company, its counsel, its officers and directors and, to the Company’s knowledge, the holders of any securities (debt or equity) or options to acquire any securities of the Company in connection with the offering of the Offered Shares is true, complete and correct in all material respects and compliant with FINRA’s rules and any letters, filings or other supplemental information provided to FINRA pursuant to FINRA Rules or NASD Conduct Rules is true, complete and correct in all material respects.

(ee) Parties to Lock-Up Agreements. The Company has furnished to the Underwriters a letter agreement in the form attached hereto as Exhibit A (the “Lock-up Agreement”) from each of the persons listed on Exhibit B. Such Exhibit B lists under appropriate caption the directors and officers of the Company. If any additional persons shall become directors or officers of the Company prior to the end of the Company Lock-up Period (as defined below), the Company shall cause each such person, prior to or contemporaneously with their appointment or election as a director or officer of the Company, to execute and deliver to the Representatives a Lock-up Agreement.

(ff) Statistical and Market-Related Data. All statistical, demographic and market-related data included in the Registration Statement, the Time of Sale Prospectus or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate in all material respects. To the extent required, the Company has obtained the written consent to the use of such data from such sources.

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

(hh) No Unlawful Contributions or Other Payments. Neither the Company nor any of its subsidiaries nor, to the best of the Company’s knowledge, any employee or agent of the Company or any subsidiary, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus.

(ii) Anti-Corruption and Anti-Bribery Laws. Neither the Company nor any of its subsidiaries nor any director, officer, employee of the Company or any of its subsidiaries, nor to the knowledge of the Company, any agent, affiliate or other person acting on behalf of the Company or any of its subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made or taken any act in furtherance of an offer, promise, or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or
employee, including of any government-owned or controlled entity or public international organization, or any political party, party official, or candidate for political office; (iii) violated or is in violation of applicable provisions of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. The Company and its subsidiaries and, to the knowledge of the Company, the Company’s affiliates have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

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

(kk) **Sanctions.** Neither the Company nor any of its subsidiaries, directors, officers, or employees, nor, to the knowledge of the Company, any agent, affiliate or other person acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury of the United Kingdom, or other relevant sanctions authority (collectively, “Sanctions”); nor is the Company or any of its subsidiaries located, organized or resident in a country or territory that is the subject or the target of comprehensive Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, and Syria (collectively, “Sanctioned Countries”); and the Company will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, or any joint venture partner or other person or entity, for the purpose of financing the activities of or business with any person, or in any country or territory, that at the time of such financing, is the subject or the target of Sanctions or is a Sanctioned Country, respectively, or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of applicable Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(ll) **Brokers.** Except pursuant to this Agreement, there is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder’s fee or other fee or commission as a result of any transactions contemplated by this Agreement.

(mm) **Forward-Looking Statements.** Each financial or operational projection or other “forward-looking statement” (as defined by Section 27A of the Securities Act or Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus (i) was so included by the Company in good faith and with reasonable basis after due consideration by the Company of the underlying assumptions, estimates and other applicable facts and circumstances and (ii) is accompanied by meaningful cautionary statements identifying those factors that could cause actual results to differ materially from those in such forward-looking statement. No such statement was made with the knowledge of an executive officer or director of the Company that it was false or misleading.
(nn) **No Outstanding Loans or Other Extensions of Credit.** The Company does not have any outstanding extension of credit, in the form of a personal loan, to or for any director or executive officer (or equivalent thereof) of the Company except for such extensions of credit as are expressly permitted by Section 13(k) of the Exchange Act.

(oo) **Cybersecurity.** The Company and its subsidiaries’ information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, “IT Systems”) are adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted. To the knowledge of the Company, the IT Systems that are critical to the operation of the Company’s business contain no material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable physical, technical and administrative controls designed to maintain and protect (a) their material confidential information; (b) the integrity and security of all IT Systems and the continuous operation and redundancy of those IT Systems that are critical to the operation of the Company’s business; and (c) “Personal Data,” used in connection with their businesses. “Personal Data” means (i) a natural person’s name, street address, telephone number, e-mail address, photograph, social security number or tax identification number, driver’s license number, passport number, credit card number, bank information, or customer or account number; (ii) any information which would qualify as “personally identifying information” under the Federal Trade Commission Act, as amended; (iii) “personal data” as defined by GDPR (as defined below); (iv) any information which would qualify as “protected health information” under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, “HIPAA”); and (v) any other piece of information that allows the identification of such natural person, or permits the collection or analysis of any data related to an identified person’s health or sexual orientation. Except as would not reasonably be expected to result an obligation to notify a person or result in a Material Adverse Change, there have been no breaches, outages or unauthorized uses of or accesses to the Company’s IT Systems and no material unauthorized uses or accesses to Personal Data, nor any incidents under internal review or investigations relating to the same that would reasonably be expected to result in an obligation to notify a person or result in a Material Adverse Change. The Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments and orders binding on the Company, applicable binding rules and regulations of any court or arbitrator or governmental or regulatory authority, and internal policies and contractual obligations, each relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

(pp) **Compliance with Data Privacy Laws.** The Company and its subsidiaries are, and at all prior times within the past three (3) years were, in material compliance with all applicable state and federal data privacy and security laws and regulations, including without limitation, to the extent applicable, HIPAA and the European Union General Data Protection Regulation (“GDPR”) (EU 2016/679) (collectively, the “Privacy Laws”). The Company and its subsidiaries have in place, materially comply with, and take appropriate steps reasonably designed to ensure compliance in all material respects with their policies and procedures relating to data privacy and security and the collection, storage, use, disclosure, handling, and analysis of Personal Data (the “Policies”). The Company and its subsidiaries have at all times made all disclosures to users or customers required by applicable laws and regulatory rules or requirements, and none of such disclosures made or contained in any Policy have, to the knowledge of the Company, been inaccurate or in violation of any applicable laws and regulatory rules or requirements in any material respect. The Company further represents that neither it nor any subsidiary: (i) has received written notice of any actual or potential liability under, or actual or potential violation of, any of the Privacy Laws, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) is currently conducting or paying for, in whole or in part, any investigation, remediation, or other corrective action pursuant to any Privacy Law; or (iii) is a party to any order, decree, or agreement with a governmental authority that imposes any obligation or liability under any Privacy Law.
Emerging Growth Company Status. From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged in any Section 5(d) Written Communication or any Section 5(d) Oral Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “Emerging Growth Company”).

Communications. The Company (i) has not alone engaged in communications with potential investors in reliance on Section 5(d) of the Securities Act other than Permitted Section 5(d) Communications with the consent of the Representatives with entities that are QIBs or IAIs and (ii) has not authorized anyone other than the Representatives to engage in such communications; the Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Marketing Materials, Section 5(d) Oral Communications and Section 5(d) Written Communications; as of the Applicable Time, each Permitted Section 5(d) Communication, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Permitted Section 5(d) Communication, if any, does not, as of the date hereof, conflict with the information contained in the Registration Statement, the Preliminary Prospectus and the Prospectus; and the Company has filed publicly on EDGAR at least 48 hours prior to the effectiveness of the Registration Statement, any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of the Offered Shares.

Preclinical Data, Clinical Data and Regulatory Compliance. The preclinical tests and clinical trials, and other studies (collectively, “studies”) that are described in, or the results of which are referred to in, the Registration Statement, the Time of Sale Prospectus or the Prospectus were and, if still pending, are being conducted in all material respects in accordance with the protocols, procedures and controls designed and approved for such studies and with standard medical and scientific research procedures; each description of the results of such studies is accurate and complete in all material respects and fairly presents the data derived from such studies, and the Company and its subsidiaries have no knowledge of any other studies the results of which are inconsistent with, or otherwise call into question, the results described or referred to in the Registration Statement, the Time of Sale Prospectuses or the Prospectus; the Company and its subsidiaries have made all such filings and obtained all such approvals as may be required by the Food and Drug Administration of the U.S. Department of Health and Human Services or any committee thereof or from any other U.S. or foreign government or drug or medical device regulatory agency, or health care facility Institutional Review Board (collectively, the “Regulatory Agencies”); neither the Company nor any of its subsidiaries has received any notice of, or correspondence from, any Regulatory Agency requiring the termination, suspension or modification of any studies that are described or referred to in the Registration Statement, the Time of Sale Prospectus or the Prospectus; and the Company and its subsidiaries have each operated and currently are in compliance in all material respects with all applicable rules, regulations and policies of the Regulatory Agencies.

Compliance with Health Care Laws. The Company and its subsidiaries are, and at all times have been, in compliance with all Health Care Laws in all material respects. For purposes of this Agreement, “Health Care Laws” means: (i) the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Section 301 et seq.), the Public Health Service Act (42 U.S.C. Section 201 et seq.), and the regulations promulgated thereunder; (ii) all applicable federal, state, local and foreign health care fraud and abuse laws, including, without limitation, the Anti-Kickback Statute (42 U.S.C. Section 1320a-7(b)), the Civil False Claims Act (31 U.S.C. Section 3729 et seq.), the criminal false statements law (42 U.S.C. Section 1320a-7(b(a)), 18 U.S.C. Sections 286 and
287, the health care fraud criminal provisions under HIPAA (42 U.S.C. Section 1320d et seq.), the civil monetary penalties law (42 U.S.C. Section 1320a-7a), the exclusion law (42 U.S.C. Section 1320a-7), the Physician Payments Sunshine Act (42 U.S.C. Section 1320-7h), and applicable laws governing government funded or sponsored healthcare programs; (iii) HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act; (iv) the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010; (v) licensure, quality, safety and accreditation requirements under applicable federal, state, local or foreign laws or regulatory bodies; and (vi) all other local, state, federal, national, supranational and foreign laws, relating to the regulation of the Company or its subsidiaries, and (vii) the regulations promulgated pursuant to such statutes and any state or non-U.S. counterpart thereof. Neither the Company nor any of its subsidiaries has received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation or activity is in violation of any Health Care Laws nor, to the Company's knowledge, is any such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action threatened. The Company and its subsidiaries have filed, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Health Care Laws, and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and accurate on the date filed in all material respects (or were corrected or supplemented by a subsequent submission). Neither the Company nor any of its subsidiaries is a party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any governmental or regulatory authority. Additionally, neither the Company, any of its subsidiaries nor any of their respective employees, officers, directors, or agents has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or, to the knowledge of the Company, is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion.

(uu) **No Rights to Purchase Preferred Stock.** The issuance and sale of the Offered Shares as contemplated hereby will not cause any holder of any shares of capital stock, securities convertible into or exchangeable or exercisable for capital stock or options, warrants or other rights to purchase capital stock or any other securities of the Company to have any right to acquire any shares of preferred stock of the Company.

(vv) **No Contract Terminations.** Neither the Company nor any of its subsidiaries has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in any preliminary prospectus, the Prospectus or any free writing prospectus, or referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Company or any of its subsidiaries or, to the Company's knowledge, any other party to any such contract or agreement, which threat of termination or non-renewal has not been rescinded as of the date hereof.

(ww) **Dividend Restrictions.** No subsidiary of the Company is prohibited or restricted, directly or indirectly, from paying dividends to the Company, or from making any other distribution with respect to such subsidiary’s equity securities or from repaying to the Company or any other subsidiary of the Company any amounts that may from time to time become due under any loans or advances to such subsidiary from the Company or from transferring any property or assets to the Company or to any other subsidiary.

Any certificate signed by any officer of the Company or any of its subsidiaries and delivered to any Underwriter or to counsel for the Underwriters in connection with the offering, or the purchase and sale, of the Offered Shares shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.
The Company has a reasonable basis for making each of the representations set forth in this Section 1. The Company acknowledges that the Underwriters and, for purposes of the opinions to be delivered pursuant to Section 6 hereof, counsel to the Company and counsel to the Underwriters, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

Section 2. Purchase, Sale and Delivery of the Offered Shares.

(a) The Firm Shares. Upon the terms herein set forth, the Company agrees to issue and sell to the several Underwriters an aggregate of [*] Firm Shares. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company the respective number of Firm Shares set forth opposite their names on Schedule A. The purchase price per Firm Share to be paid by the several Underwriters to the Company shall be $[*] per share.

(b) The First Closing Date. Delivery of the Firm Shares to be purchased by the Underwriters and payment therefor shall be made at the offices of Wilmer Cutler Pickering Hale and Dorr LLP (or such other place as may be agreed to by the Company and the Representatives) at [*] [a]p.m. New York City time, on [*], 2021, or such other time and date not later than [*] [a]p.m. New York City time, on [*], 2021 as the Representatives shall designate by notice to the Company (the time and date of such closing are called the “First Closing Date”). The Company hereby acknowledges that circumstances under which the Representatives may provide notice to postpone the First Closing Date as originally scheduled include, but are not limited to, any determination by the Company or the Representatives to recirculate to the public copies of an amended or supplemented Prospectus or a delay as contemplated by the provisions of Section 11.

(c) The Optional Shares; Option Closing Date. In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to an aggregate of [*] Optional Shares from the Company at the purchase price per share to be paid by the Underwriters for the Firm Shares. The option granted hereunder may be exercised at any time and from time to time in whole or in part upon notice by the Representatives to the Company, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the aggregate number of Optional Shares as to which the Underwriters are exercising the option and (ii) the time, date and place at which the Optional Shares will be delivered (which time and date may be simultaneous with, but not earlier than, the First Closing Date; and in the event that such time and date are simultaneous with the First Closing Date, the term “First Closing Date” shall refer to the time and date of delivery of the Firm Shares and such Optional Shares). Any such time and date of delivery, if subsequent to the First Closing Date, is called an “Option Closing Date,” and shall be determined by the Representatives and shall not be earlier than two or later than five full business days after delivery of such notice of exercise. If any Optional Shares are to be purchased, each Underwriter agrees, severally and not jointly, to purchase the number of Optional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Optional Shares to be purchased as the number of Firm Shares set forth on Schedule A opposite the name of such Underwriter bears to the total number of Firm Shares. The Representatives may cancel the option at any time prior to its expiration by giving written notice of such cancellation to the Company.

(d) Public Offering of the Offered Shares. The Representatives hereby advise the Company that the Underwriters intend to offer for sale to the public, initially on the terms set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus, their respective portions of the Offered Shares as soon after this Agreement has been executed and the Registration Statement has been declared effective as the Representatives, in their sole judgment, have determined is advisable and practicable.
Payment for the Offered Shares.

(i) Payment for the Offered Shares shall be made at the First Closing Date (and, if applicable, at each Option Closing Date) by wire transfer of immediately available funds to the order of the Company.

(ii) It is understood that the Representatives have been authorized, for their own accounts and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm Shares and any Optional Shares the Underwriters have agreed to purchase. Each of Jefferies, Evercore and Piper, individually and not as the Representatives of the Underwriters, may (but shall not be obligated to) make payment for any Offered Shares to be purchased by any Underwriter whose funds shall not have been received by the Representatives by the First Closing Date or the applicable Option Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

Delivery of the Offered Shares. The Company shall deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters the Firm Shares at the First Closing Date, against release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company shall also deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters, the Optional Shares the Underwriters have agreed to purchase at the First Closing Date or the applicable Option Closing Date, as the case may be, against the release of a wire transfer of immediately available funds for the amount of the purchase price therefor. Unless the Representatives otherwise elect, delivery of the Offered Shares shall be made by credit to the accounts designated by the Representatives through The Depository Trust Company’s full fast transfer or DWAC programs. If the Representatives so elect, any certificates for the Offered Shares shall be in definitive form and registered in such names and denominations as the Representatives shall have requested at least two full business days prior to the First Closing Date (or the applicable Option Closing Date, as the case may be) and shall be made available for inspection on the business day preceding the First Closing Date (or the applicable Option Closing Date, as the case may be) at a location in New York City as the Representatives may designate. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

Section 3. Additional Covenants.

The Company further covenants and agrees with each Underwriter as follows:

(a) Delivery of Registration Statement, Time of Sale Prospectus and Prospectus. The Company shall furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period when a prospectus relating to the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered Shares, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Representatives’ Review of Proposed Amendments and Supplements. During the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), the Company (i) will furnish to the Representatives for review, a reasonable period of time prior to the
proposed time of filing of any proposed amendment or supplement to the Registration Statement, a copy of each such amendment or supplement and
(ii) will not amend or supplement the Registration Statement without the Representatives’ prior written consent, which will not be unreasonably
withheld, conditioned or delayed. Prior to amending or supplementing any preliminary prospectus, the Time of Sale Prospectus or the Prospectus, the
Company shall furnish to the Representatives for review, a reasonable amount of time prior to the time of filing or use of the proposed amendment or
supplement, a copy of each such proposed amendment or supplement. The Company shall not file or use any such proposed amendment or supplement
without the Representatives’ prior written consent, which will not be unreasonably withheld, conditioned or delayed. The Company shall file with the
Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) Free Writing Prospectuses. The Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed
time of filing or use thereof, a copy of each proposed free writing prospectus or any amendment or supplement thereto prepared by or on behalf of, used
by, or referred to by the Company, and the Company shall not file, use or refer to any proposed free writing prospectus or any amendment or supplement
thereto without the Representatives’ prior written consent, which will not be unreasonably withheld, conditioned or delayed. The Company shall furnish
to each Underwriter, without charge, as many copies of any free writing prospectus prepared by or on behalf of, used by or referred to by the Company
as such Underwriter may reasonably request. If at any time when a prospectus is required by the Securities Act to be delivered (whether physically or
through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered Shares (but in any event if at any
time through and including the First Closing Date) there occurred or occurs an event or development as a result of which any free writing prospectus
prepared by or on behalf of, used by, or referred to by the Company conflicted or would conflict with the information contained in the Registration
Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to
make the statements therein, in the light of the circumstances prevailing at such time, not misleading, the Company shall promptly amend or supplement
such free writing prospectus to eliminate or correct such conflict or so that the statements in such free writing prospectus as so amended or
supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in
the light of the circumstances prevailing at such time, not misleading, the case may be; provided, however, that prior to amending or supplementing
any such free writing prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of
filing or use thereof, a copy of such proposed amended or supplemented free writing prospectus, and the Company shall not file, use or refer to any such
amended or supplemented free writing prospectus without the Representatives’ prior written consent, which will not be unreasonably withheld,
conditioned or delayed.

(d) Filing of Underwriter Free Writing Prospectuses. The Company shall not take any action that would result in an Underwriter or the Company
being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such
Underwriter that such Underwriter otherwise would not have been required to file thereunder.

(e) Amendments and Supplements to Time of Sale Prospectus. If the Time of Sale Prospectus is being used to solicit offers to buy the Offered
Shares at a time when the Prospectus is not yet available to prospective purchasers, and any event shall occur or condition exist as a result of which it is
necessary to amend or supplement the Time of Sale Prospectus so that the Time of Sale Prospectus does not include an untrue statement of a material
fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective
purchaser, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information
contained in the Registration Statement, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale
Prospectus to comply with

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applicable law, the Company shall (subject to Section 3(b) and Section 3(c) hereof) promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the information contained in the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) Certain Notifications and Required Actions. After the date of this Agreement, the Company shall promptly advise the Representatives in writing of: (i) the receipt of any comments of, or requests for additional or supplemental information from, the Commission; (ii) the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus; (iii) the time and date that any post-effective amendment to the Registration Statement becomes effective; and (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus or the Prospectus or of any order preventing or suspending the use of any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the Shares from any securities exchange upon which they are listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order as promptly as possible. Additionally, the Company agrees that it shall comply with all applicable provisions of Rule 424(b), Rule 433 and Rule 430A under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b) or Rule 433 were received in a timely manner by the Commission.

(g) Amendments and Supplements to the Prospectus and Other Securities Act Matters. If any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus so that the Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading, or if in the opinion of the Representatives or counsel for the Underwriters it is otherwise necessary to amend or supplement the Prospectus to comply with applicable law, the Company agrees (subject to Section 3(b) and Section 3(c) hereof) to promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law. Neither the Representatives’ consent to, nor delivery of, any such amendment or supplement shall constitute a waiver of any of the Company’s obligations under Section 3(b) or Section 3(c).

(h) Blue Sky Compliance. The Company shall cooperate with the Representatives and counsel for the Underwriters to qualify or register the Offered Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial securities laws (or other foreign laws) of those jurisdictions designated by the Representatives, shall comply with such laws.
and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Offered Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representatives promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Offered Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof as promptly as possible.

(i) Use of Proceeds. The Company shall apply the net proceeds from the sale of the Offered Shares sold by it substantially in the manner described under the caption “Use of Proceeds” in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(j) Transfer Agent. The Company shall maintain, at its expense, a registrar and transfer agent for the Shares.

(k) Earnings Statement. The Company will make generally available to its security holders and to the Representatives as soon as practicable an earnings statement (which need not be audited) covering a period of at least twelve months beginning with the first fiscal quarter of the Company commencing after the date of this Agreement that will satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(l) Continued Compliance with Securities Laws. The Company will comply with the Securities Act and the Exchange Act so as to permit the completion of the distribution of the Offered Shares as contemplated by this Agreement, the Registration Statement, the Time of Sale Prospectus and the Prospectus. Without limiting the generality of the foregoing, the Company will, during the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), file on a timely basis with the Commission and Nasdaq all reports and documents required to be filed under the Exchange Act.

(m) Listing. The Company will use its best efforts to list, subject to notice of issuance, the Offered Shares on Nasdaq.

(n) Company to Provide Copy of the Prospectus in Form That May be Downloaded from the Internet. If requested by the Representatives, the Company shall cause to be prepared and delivered, at its expense, within one business day from the effective date of this Agreement, to the Representatives an “electronic Prospectus” to be used by the Underwriters in connection with the offering and sale of the Offered Shares. As used herein, the term “electronic Prospectus” means a form of Prospectus, and any amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Representatives, that may be transmitted electronically by the Representatives and the other Underwriters to offerees and purchasers of the Offered Shares; (ii) it shall disclose the same information as the paper Prospectus, except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic Prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to the Representatives, that will allow investors to store and have continuously ready access to the Prospectus at any future time, without charge to investors (other than any fee charged for subscription to the Internet as a whole and for on-line time).
(o) Agreement Not to Offer or Sell Additional Shares. During the period commencing on and including the date hereof and continuing through and including the 90th day following the date of the Prospectus (such period being referred to herein as the “Lock-up Period”), the Company will not, without the prior written consent of the Representatives (which consent may be withheld in their sole discretion), directly or indirectly: (i) sell, offer to sell, contract to sell or lend any Shares or Related Securities (as defined below); (ii) effect any short sale, or establish or increase any “put equivalent position” (as defined in Rule 16a-1(h) under the Exchange Act) or liquidate or decrease any “call equivalent position” (as defined in Rule 16a-1(b) under the Exchange Act) of any Shares or Related Securities; (iii) pledge, hypothecate or grant any security interest in any Shares or Related Securities; (iv) in any other way transfer or dispose of any Shares or Related Securities; (v) enter into any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of any Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise; (vi) announce the offering of any Shares or Related Securities; (vii) submit or file any registration statement under the Securities Act in respect of any Shares or Related Securities (other than as contemplated by this Agreement with respect to the Offered Shares); (viii) effect a reverse stock split, recapitalization, share consolidation, reclassification or similar transaction affecting the outstanding Shares; or (ix) publicly announce the intention to do any of the foregoing; provided, however, that the Company may (A) effect the transactions contemplated hereby, (B) issue Shares or options to purchase Shares, or issue Shares upon exercise of options, pursuant to any stock option, stock bonus or other stock plan or arrangement described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, but only if the holders of such Shares or options agree in writing with the Underwriters not to sell, offer, dispose of or otherwise transfer any such Shares or options during such Lock-up Period without the prior written consent of the Representatives (which consent may be withheld in their sole discretion), (C) file one or more registration statements on Form S-8 with respect to any Shares or Related Securities issued or issuable pursuant to any stock option, stock bonus, or other stock plan or arrangement described in the Registration Statement, the Time of Sale Prospectus or the Prospectus, (D) issue Shares in connection with the acquisition or license by the Company of the securities, business, property or other assets of another person or business entity or pursuant to any employee benefit plan assumed by the Company in connection with any such merger or acquisition or (E) issue Shares or Related Securities in connection with any merger, joint venture, commercial relationship or other strategic or collaborative transactions; provided that, in the case of immediately preceding clauses (D) and (E), (x) the aggregate number of Shares issued or underlying such Related Securities issued in connection with all such acquisitions and other transactions does not exceed 5% of the aggregate number of Shares outstanding immediately following the consummation of the offering of the Offered Shares pursuant to this Agreement and (y) the recipients of the Shares or Related Securities agree in writing to be bound by the same terms described in the agreement attached hereto as Exhibit A. For purposes of the foregoing, “Related Securities” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, Shares.

(p) Future Reports to the Representatives. During the period of five years hereafter, the Company will furnish to the Representatives, c/o Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: Global Head of Syndicate, c/o Evercore Group L.L.C., at 55 East 52nd Street, New York, NY 10055, Attention: Equity Capital Markets and c/o Piper Sandler & Co., 800 Nicollet Mall, Minneapolis, Minnesota 55402, Attention: Equity Capital Markets: (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of each fiscal year and statements of income, stockholders’ equity and cash flows for the year then ended and the opinion thereon of the Company’s independent public or certified public accountants; (ii) as soon as practicable after the filing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other report filed by the Company with the Commission, FINRA or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company furnished or made available generally to holders of its capital stock; provided, however, that the requirements of this Section 3(p) shall be satisfied to the extent that such reports, statement, communications, financial statements or other documents are available on EDGAR.
Investment Limitation. The Company shall not invest or otherwise use the proceeds received by the Company from its sale of the Offered Shares in such a manner as would require the Company or any of its subsidiaries to register as an investment company under the Investment Company Act.

No Stabilization or Manipulation; Compliance with Regulation M. The Company will not take, and will ensure that no affiliate of the Company will take, directly or indirectly, any action designed to or that might cause or result in stabilization or manipulation of the price of the Shares or any reference security with respect to the Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and the Company will, and shall cause each of its affiliates to, comply with all applicable provisions of Regulation M.

Enforce Lock-Up Agreements. During the Lock-up Period, the Company will enforce all agreements between the Company and any of its securityholders that restrict or prohibit, expressly or in operation, the offer, sale or transfer of Shares or Related Securities or any of the other actions restricted or prohibited under the terms of the form of Lock-up Agreement. In addition, the Company will direct the transfer agent to place stop transfer restrictions upon any such securities of the Company that are bound by such “lock-up” agreements for the duration of the periods contemplated in such agreements, including, without limitation, “lock-up” agreements entered into by the Company’s officers, directors and securityholders pursuant to Section 6(i) hereof.

Company to Provide Interim Financial Statements. Prior to the First Closing Date and each applicable Option Closing Date, the Company will furnish the Underwriters, as soon as they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Registration Statement and the Prospectus; provided that the requirements of this Section 3(t) shall be deemed satisfied to the extent such financial statements are available on EDGAR.

Amendments and Supplements to Permitted Section 5(d) Communications. If at any time following the distribution of any Permitted Section 5(d) Communication, there occurred or occurs an event or development as a result of which such Permitted Section 5(d) Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and, upon the reasonable request of the Representatives, will promptly amend or supplement, at its own expense, such Permitted Section 5(d) Communication to eliminate or correct such untrue statement or omission.

Emerging Growth Company Status. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) the time when a prospectus relating to the Offered Shares is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (ii) the expiration of the Lock-Up Period (as defined herein).

The Representatives, on behalf of the several Underwriters, may, in their sole discretion, waive in writing the performance by the Company of any one or more of the foregoing covenants or extend the time for their performance.
Section 4. Payment of Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Offered Shares (including all printing and engraving costs), (ii) all fees and expenses of the registrar and transfer agent of the Shares, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Offered Shares to the Underwriters, (iv) all fees and expenses of the Company’s counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), the Time of Sale Prospectus, the Prospectus, each free writing prospectus prepared by or on behalf of, used by, or referred to by the Company, and each preliminary prospectus, each Permitted Section 5(d) Communication, and all amendments and supplements thereto, and this Agreement, (vi) all filing fees, attorneys’ fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Offered Shares for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representatives, preparing and printing a “Blue Sky Survey” or memorandum and a “Canadian wrapper”, and any supplements thereto, advising the Underwriters of such qualifications, registrations and exemptions, (vii) the costs, fees and expenses incurred by the Underwriters in connection with determining their compliance with the rules and regulations of FINRA related to the Underwriters’ participation in the offering and distribution of the Offered Shares, including any related filing fees and the legal fees of, and disbursements by, counsel to the Underwriters, (viii) the costs and expenses of the Company relating to investor presentations on any “road show”, any Permitted Section 5(d) Communication or any Section 5(d) Oral Communication undertaken in connection with the offering of the Offered Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives, employees and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, provided that the cost of any such chartered aircraft shall be borne 50% by the Company and 50% by the Underwriters, (ix) the fees and expenses associated with listing the Offered Shares on Nasdaq, and (x) all other fees, costs and expenses of the nature referred to in Item 13 of Part II of the Registration Statement; provided that the fees and expenses of counsel with respect to clauses (vi) and (vii) above shall not exceed $25,000 in the aggregate. Except as provided in this Section 4 or in Section 7, Section 9 or Section 10 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

Section 5. Covenant of the Underwriters. Each Underwriter severally and not jointly covenants with the Company not to take any action that would result in the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not, but for such actions, be required to be filed by the Company under Rule 433(d).

Section 6. Conditions of the Obligations of the Underwriters. The respective obligations of the several Underwriters hereunder to purchase and pay for the Offered Shares as provided herein on the First Closing Date and, with respect to the Optional Shares, each Option Closing Date, shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in Section 1 hereof as of the date hereof and as of the First Closing Date as though then made and, with respect to the Optional Shares, as of each Option Closing Date as though then made, to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:
(a) **Comfort Letter.** On the date hereof, the Representatives shall have received from Ernst & Young LLP, independent registered public accountants for the Company, a letter dated the date hereof addressed to the Underwriters, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountant’s “comfort letters” to underwriters, delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), with respect to the audited and unaudited financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus, and each free writing prospectus, if any.

(b) **Compliance with Registration Requirements; No Stop Order; No Objection from FINRA.** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional Shares purchased after the First Closing Date, each Option Closing Date:

(i) The Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act; or the Company shall have filed a post-effective amendment to the Registration Statement containing the information required by such Rule 430A, and such post-effective amendment shall have become effective.

(ii) No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment to the Registration Statement shall be in effect, and no proceedings for such purpose shall have been instituted or threatened by the Commission.

(iii) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(c) **No Material Adverse Change or Ratings Agency Change.** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional Shares purchased after the First Closing Date, each Option Closing Date:

(i) in the judgment of the Representatives there shall not have occurred any Material Adverse Change or any other development that would reasonably be expected to result in a material adverse change in the ability of the Company to consummate the transactions contemplated by this Agreement or perform its obligations hereunder; and

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Company or any of its subsidiaries by any “nationally recognized statistical rating organization” as that term is defined in Section 3(a)(62) of the Exchange Act.

(d) **Opinion of Counsel for the Company.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion and negative assurance letter of Cooley LLP, counsel for the Company, dated as of such date, in the form and substance reasonably agreed to by the parties.

(e) **Opinion of Intellectual Property Counsel for the Company.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Cooley LLP, counsel for the Company with respect to intellectual property matters, dated as of such date, in the form and substance reasonably agreed to by the parties.
Opinion of Counsel for the Underwriters. On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion and negative assurance letter of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Underwriters in connection with the offer and sale of the Offered Shares, in form and substance satisfactory to the Underwriters, dated as of such date.

Officers’ Certificate. On each of the First Closing Date and each Option Closing Date, the Representatives shall have received a certificate executed by the Chief Executive Officer or President of the Company and the Chief Financial Officer of the Company, dated as of such date, to the effect set forth in Section 6(b)(ii) and further to the effect that:

(i) for the period from and including the date of this Agreement through and including such date, there has not occurred any Material Adverse Change;

(ii) the representations, warranties and covenants of the Company set forth in Section 1 of this Agreement are true and correct with the same force and effect as though expressly made on and as of such date; and

(iii) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such date.

Bring-down Comfort Letter. On each of the First Closing Date and each Option Closing Date the Representatives shall have received from Ernst & Young LLP, independent registered public accountants for the Company, a letter dated such date, in form and substance satisfactory to the Representatives, which letter shall: (i) reaffirm the statements made in the letter furnished by them pursuant to Section 6(a), except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the First Closing Date or the applicable Option Closing Date, as the case may be; and (ii) cover certain financial information contained in the Prospectus.

Lock-Up Agreements. On or prior to the date hereof, the Company shall have furnished to the Representatives an agreement in the form of Exhibit A hereto from each of the persons listed on Exhibit B hereto, and each such agreement shall be in full force and effect on each of the First Closing Date and each Option Closing Date.

Rule 462(b) Registration Statement. In the event that a Rule 462(b) Registration Statement is filed in connection with the offering contemplated by this Agreement, such Rule 462(b) Registration Statement shall have been filed with the Commission on the date of this Agreement and shall have become effective automatically upon such filing.

Approval of Listing. At the First Closing Date, the Offered Shares shall have been approved for listing on Nasdaq, subject only to official notice of issuance.

Additional Documents. On or before each of the First Closing Date and each Option Closing Date, the Representatives and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably request for the purposes of enabling them to pass upon the issuance and sale of the Offered Shares as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Offered Shares as contemplated herein and in connection with the other transactions contemplated by this Agreement shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.
If any condition specified in this Section 6 is not satisfied when and as required to be satisfied (unless waived by the Representatives), this Agreement may be terminated by the Representatives by notice from the Representatives to the Company at any time on or prior to the First Closing Date and, with respect to the Optional Shares, at any time on or prior to the applicable Option Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 7. Reimbursement of Underwriters’ Expenses. If this Agreement is terminated by the Representatives pursuant to Section 6, Section 11 or Section 12, or if the sale to the Underwriters of the Offered Shares on the First Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Underwriters for all documented, out-of-pocket expenses that shall have been reasonably incurred by the Underwriters in connection with the proposed purchase and the offering and sale of the Offered Shares, including, but not limited to, fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.

Section 8. Effectiveness of this Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

Section 9. Indemnification.

(a) Indemnification of the Underwriters. The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and agents, and each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such affiliate, director, officer, employee, agent or controlling person may become subject, under the Securities Act, the Exchange Act, other federal or state statutory law or regulation, or the laws or regulations of foreign jurisdictions where Offered Shares have been offered or sold or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (A) (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or the 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 (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing), or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iii) any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Shares or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon any matter covered by clause (i) or (ii) above, or (B) the violation of any laws or regulations of foreign jurisdictions where Offered Shares have been offered or sold; and to reimburse each Underwriter and each such affiliate, director, officer, employee, agent and controlling person for any and all reasonable expenses (including the reasonable fees and disbursements of counsel) as such expenses are incurred by such Underwriter or such affiliate, director, officer, employee, agent or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the foregoing indemnity agreement shall not apply to any loss, claim, damage,
liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company by the Representatives in writing expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any such free writing prospectus, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information described in Section 9(b) below. The indemnity agreement set forth in this Section 9(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) Indemnification of the Company, its Directors and Officers. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or any common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or 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 (ii) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or 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 (ii) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or 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 (ii) any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company by the Representatives in writing expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any such free writing prospectus, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information described in Section 9(b) below. The indemnity agreement set forth in this Section 9(a) shall be in addition to any liabilities that the Company may otherwise have.

(c) Notifications and Other Indemnification Procedures. Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 9, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any
the indemnifying party to the extent the indemnifying party is not materially prejudiced as a proximate result of such failure and shall not in any event relieve the indemnifying party from any liability that it may have otherwise than on account of this indemnity agreement. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party’s election to so assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 9 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the fees and expenses of more than one separate counsel (together with local counsel), representing the indemnified parties who are parties to such action), which counsel (together with any local counsel) for the indemnified parties shall be selected by the Representatives (in the case of counsel for the indemnified parties referred to in Section 9(a) above) or by the Company (in the case of counsel for the indemnified parties referred to in Section 9(b) above)) or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party and shall be paid as they are incurred.

(d) Settlements. The indemnifying party under this Section 9 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 9(c) hereof, the indemnifying party shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such indemnified party.
Section 10. Contribution. If the indemnification provided for in Section 9 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Offered Shares pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Offered Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total proceeds from the offering of the Offered Shares as set forth on the front cover page of the Prospectus, bear to the aggregate initial public offering price of the Offered Shares as set forth on such cover. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Underwriters, on the other hand, and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 9(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 9(c) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 10; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 9(c) for purposes of indemnification.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 10.

Notwithstanding the provisions of this Section 10, no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions received by such Underwriter in connection with the Offered Shares underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters’ obligations to contribute pursuant to this Section 10 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their respective names on Schedule A. For purposes of this Section 10, each affiliate, director, officer, employee and agent of an Underwriter and each person, if any, who controls an Underwriter within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company.
Section 11. Default of One or More of the Several Underwriters. If, on the First Closing Date or any Option Closing Date any one or more of the several Underwriters shall fail or refuse to purchase Offered Shares that it or they have agreed to purchase hereunder on such date, and the aggregate number of Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Offered Shares to be purchased on such date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Offered Shares by other persons, including any of the Underwriters, but if no such arrangements are made by such date, the other Underwriters shall be obligated, severally and not jointly, in the proportions that the number of Firm Shares set forth opposite their respective names on Schedule A bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by the Representatives with the consent of the non-defaulting Underwriters, to purchase the Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the First Closing Date or any Option Closing Date any one or more of the Underwriters shall fail or refuse to purchase Offered Shares and the aggregate number of Offered Shares with respect to which such default occurs exceeds 10% of the aggregate number of Offered Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Offered Shares are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination. In any such case either the Representatives or the Company shall have the right to postpone the First Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term “Underwriter” shall be deemed to include any person substituted for a defaulting Underwriter under this Section 11. Any action taken under this Section 11 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 12. Termination of this Agreement. Prior to the purchase of the Firm Shares by the Underwriters on the First Closing Date, this Agreement may be terminated by the Representatives by notice given to the Company if at any time: (i) trading or quotation in any of the Company’s securities shall have been suspended or limited by the Commission or by Nasdaq, or trading in securities generally on either Nasdaq or the New York Stock Exchange shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges; (ii) a general banking moratorium shall have been declared by any federal, New York or Massachusetts authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States’ or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable to market the Offered Shares in the manner and on the terms described in the Time of Sale Prospectus or the Prospectus or to enforce contracts for the sale of securities; (iv) in the judgment of the Representatives there shall have occurred any Material Adverse Change or any other development that would reasonably be expected to result in a material adverse change in the ability of the Company to consummate the transactions contemplated by this Agreement or perform its obligations hereunder; or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representatives may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured. Any termination pursuant to this Section 12 shall be without liability on the part of (a) the Company to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Section 4 or Section 7 hereof or (b) any Underwriter to the Company; provided, however, that the provisions of Section 9 and Section 10 shall at all times be effective and shall survive such termination.

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Section 13. No Advisory or Fiduciary Relationship. The Company acknowledges and agrees that (a) the purchase and sale of the Offered Shares pursuant to this Agreement, including the determination of the public offering price of the Offered Shares and any related discounts and commissions, is an arm’s-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other hand, and does not constitute a recommendation, investment advice or solicitation of any action by the Underwriters, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, or its stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, (e) the Underwriters have not provided any legal, accounting, regulatory, investment or tax advice with respect to the offering contemplated hereby and the Company has consulted its own legal, accounting, financial, regulatory and tax advisors to the extent it deemed appropriate and (f) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice or solicitation of any action by the Underwriters with respect to any entity or natural person.

Section 14. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and, anything herein to the contrary notwithstanding, will survive delivery of and payment for the Offered Shares sold hereunder and any termination of this Agreement.

Section 15. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or teletyped and confirmed to the parties hereto as follows:

If to the Representatives: Jefferies LLC
520 Madison Avenue
New York, New York 10022
Facsimile: (646) 619-4437
Attention: General Counsel

Evercore Group L.L.C.
55 East 52nd Street
New York, NY 10055
Attention: General Counsel, Investment Banking

Piper Sandler & Co.
800 Nicollet Mall
Minneapolis, Minnesota 55402
Facsimile: 612-313-3112
Attention: General Counsel
E-mail: LegalCapMarkets@psc.com
Section 16. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 11 hereof, and to the benefit of the affiliates, directors, officers, employees, agents and controlling persons referred to in Section 9 and Section 10, and in each case their respective successors, and personal representatives, and no other person will have any right or obligation hereunder. The term “successors” shall not include any purchaser of the Offered Shares as such from any of the Underwriters merely by reason of such purchase.

Section 17. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 18. Recognition of the U.S. Special Resolution Regimes.

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

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.
For purposes of this Agreement, (A) “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (B) “Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (C) “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (D) “U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 19. Governing Law Provisions. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America located in the Borough of Manhattan in the City of New York or the courts of the State of New York in each case located in the Borough of Manhattan in the City of New York (collectively, the “Specified Courts”), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court, as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party’s address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

Section 20. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 9 and the contribution provisions of Section 10, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Section 9 and Section 10 hereof fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, each free writing prospectus and the Prospectus (and any amendments and supplements to the foregoing), as contemplated by the Securities Act and the Exchange Act.
If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

ONCORUS, INC.

By: ________________________________
   Name: ________________________________
   Title: ________________________________

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representatives in New York, New York as of the date first above written.

JEFFERIES LLC
EVERCORE GROUP L.L.C.
PIPER Sandler & CO.
Acting individually and as Representatives of the several Underwriters named in the attached Schedule A.

JEFFERIES LLC

By: ________________________________
   Name: Dustin Tyner
   Title: Managing Director

EVERCORE GROUP L.L.C.

By: ________________________________
   Name: Maren Winnick
   Title: Senior Managing Director

PIPER Sandler & CO.

By: ________________________________
   Name: Jim Douglas
   Title: Managing Director
<table>
<thead>
<tr>
<th>Underwriters</th>
<th>Number of Firm Shares to be Purchased</th>
</tr>
</thead>
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<tr>
<td>Jefferies LLC</td>
<td>[*]</td>
</tr>
<tr>
<td>Evercore Group L.L.C.</td>
<td>[*]</td>
</tr>
<tr>
<td>Piper Sandler &amp; Co.</td>
<td>[*]</td>
</tr>
<tr>
<td>Total</td>
<td>[*]</td>
</tr>
</tbody>
</table>
Free Writing Prospectuses Included in the Time of Sale Prospectus
[to be added]
Pricing Information

Number of Firm Shares: [•]

Price per Share to the public: $[•]

Number of Optional Shares: [•]
Permitted Section 5(d) Communications
[to be added]
Form of Lock-up Agreement

_________________, 2021

Jefferies LLC
Evercore Group L.L.C.
Piper Sandler & Co.
c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

and

c/o Evercore Group L.L.C.
55 East 52nd Street
New York, New York 10055

and

c/o Piper Sandler & Co.
U.S. Bancorp Center
800 Nicollet Mall
Minneapolis, Minnesota 55402

RE: Oncorus, Inc. (the “Company”)

Ladies & Gentlemen:
The undersigned is an owner of shares of common stock, par value $0.0001 per share, of the Company (“Shares”) or of securities convertible into or exchangeable or exercisable for Shares. The Company proposes to conduct a public offering of Shares (the “Offering”) for which Jefferies LLC (“Jefferies”), Evercore Group L.L.C. (“Evercore”) and Piper Sandler & Co. (“Piper” and, together with Jefferies and Evercore, the “Underwriters”) will act as underwriters. The undersigned recognizes that the Offering will benefit each of the Company and the undersigned. The undersigned acknowledges that the Underwriters are relying on the representations and agreements of the undersigned contained in this letter agreement in conducting the Offering and, at a subsequent date, in entering into an underwriting agreement (the “Underwriting Agreement”) and other underwriting arrangements with the Company with respect to the Offering.

Annex A sets forth definitions for capitalized terms used in this letter agreement that are not defined in the body of this letter agreement. Those definitions are a part of this letter agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, during the Lock-up Period, the undersigned will not (and will use reasonable best efforts to cause any Family Member not to), subject to the exceptions set forth in this letter agreement, without the prior written consent of the Underwriters, which may withhold their consent in their sole discretion:
• Sell or Offer to Sell any Shares or Related Securities currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned or such Family Member,

• enter into any Swap,

• make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any Shares or Related Securities, or cause to be filed a registration statement, prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration, or

• publicly announce any intention to do any of the foregoing.

The foregoing restrictions will not apply to the registration of the offer and sale of the Shares, and the sale of the Shares to the Underwriters, in each case as contemplated by the Underwriting Agreement. In addition, the foregoing restrictions shall not apply to:

(i) transactions relating to Shares or other securities acquired in open market transactions after the completion of the Offering, provided that no filing under the Exchange Act or other public disclosure will be required or will be voluntarily made during the Lock-up Period in connection with subsequent sales of Shares or other securities acquired in such open market transactions during the Lock-up Period, other than any required filing on Schedule 13G, Schedule 13G/A or Form 13F;

(ii) transfers of Shares or any Related Securities as a bona fide gift or charitable contribution;

(iii) distributions of Shares or any Related Securities to (a) limited partners, members, stockholders or holders of similar equity interests in the undersigned, (b) another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act) of the undersigned, or (c) any investment fund or other entity controlled or managed by the undersigned or affiliates of the undersigned;

(iv) transfers of Shares or any Related Securities by will or intestacy or to any Family Member or to a trust whose beneficiaries consist exclusively of one or more of the undersigned and/or a Family Member;

(v) transfers of Shares or any Related Securities pursuant to a domestic order or negotiated divorce settlement;

(vi) the exercise of stock options granted under any equity incentive plans described in the final prospectus relating to the Offering (the “Prospectus”) by the undersigned, and the receipt by the undersigned from the Company of Shares upon such exercise, insofar as such option is outstanding as of the date of the Prospectus, provided that the underlying Shares shall continue to be subject to the restrictions on transfer set forth in this letter agreement and provided, further that, if required, any public report or filing under Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option, that no Shares were sold by the reporting person and that Shares received upon exercise of the stock option are subject to this letter agreement with the underwriters of the Offering;

(vii) the disposition of Shares to the Company, or the withholding of Shares by the Company, in a transaction exempt from Section 16(b) of the Exchange Act solely in connection with the payment of taxes due with respect to the vesting of restricted stock granted under a stock
incentive plan or pursuant to a contractual employment arrangement described in the Prospectus, insofar as such restricted stock is outstanding as of the date of the Prospectus, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made during the Lock-up Period and no other public disclosure shall be voluntarily made during the Lock-up Period;

(viii) transfers to the Company in connection with the repurchase of Shares in connection with the termination of the undersigned’s employment with the Company pursuant to contractual agreements with the Company as in effect as of the date of the Prospectus, provided that no filing under the Exchange Act or other public disclosure shall be voluntarily made during the Lock-up Period and any filing under the Exchange Act or other public disclosure required to be made during the Lock-up Period shall include a statement to the effect that such transfer relates to the circumstances described in this clause (viii);

(ix) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Shares, provided that (a) such plan does not provide for the transfer of Shares during the Lock-up Period and (b) the entry into such plan is not publicly disclosed, including in any filings under the Exchange Act, during the Lock-up Period;

(x) pursuant to a bona fide third-party tender offer for all outstanding Shares of the Company, merger, consolidation or other similar transaction made to all holders of the Company’s securities involving a change of control of the Company (including, without limitation, the entering into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of Shares or other such securities in connection with such transaction, or vote any Shares or other such securities in favor of any such transaction), provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, such securities held by the undersigned shall remain subject to the provisions of this letter agreement; or

(xi) sales or dispositions of Shares held by the undersigned pursuant to a trading plan pursuant to Rule 10b5-1 under the Exchange Act existing on the date of this letter agreement, provided, that no filing under the Exchange Act or other public disclosure shall be voluntarily made during the Lock-up Period and any filing under the Exchange Act or other public disclosure required to be made during the Lock-up Period shall indicate by footnote disclosure or otherwise (a) that such sale or disposition was made in connection with a trading plan pursuant to Rule 10b5-1 under the Exchange Act and (b) the date such trading plan was entered into; provided however in the case of any transfer or distribution pursuant to clause (ii), (iii), (iv) and (v), it shall be a condition to such transfer that:

• each donee, transferee or distributee executes and delivers to the Underwriters an agreement in form and substance satisfactory to the Underwriters stating that such donee, transferee or distributee is receiving and holding such Shares and/or Related Securities subject to the provisions of this letter agreement and agrees not to Sell or Offer to Sell such Shares and/or Related Securities, engage in any Swap or engage in any other activities restricted under this letter agreement except in accordance with this letter agreement (as if such donee, transferee or distributee had been an original signatory hereto), and

• prior to the expiration of the Lock-up Period, no public disclosure or filing under the Exchange Act by any party to the transfer (donor, donee, transferee, distributor or distributee) shall be required, or made voluntarily (other than any such disclosure required to be made by applicable law or regulation, including, without limitation, one or more filings on Form 4, Form 5, Schedule 13G or Schedule 13D, in each case, in accordance with applicable law and made after the expiration of the Lock-up Period).
If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Shares the undersigned may purchase or otherwise receive in the Offering (including pursuant to a directed share program).

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of Shares or Related Securities held by the undersigned and the undersigned’s Family Members, if any, except in compliance with the foregoing restrictions.

In addition, the undersigned agrees that, without the prior written consent of the Underwriters, it will not, in connection with the Offering nor during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Shares and/or any Related Securities, and with respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of the offer and sale of any Shares and/or any Related Securities owned either of record or beneficially by the undersigned, including any rights to receive notice of the Offering. In addition, the undersigned hereby waives any and all preemptive rights, participation rights, resale rights, rights of first refusal and similar rights that the undersigned may have in connection with the Offering.

The undersigned confirms that the undersigned has not, and has no knowledge that any Family Member has, directly or indirectly, taken any action designed to or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares. The undersigned will not, and will cause any Family Member not to take, directly or indirectly, any such action.

Whether or not the Offering occurs as currently contemplated or at all depends on market conditions and other factors. The Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

If (i) the Company notifies the Underwriters in writing that it does not intend to proceed with the Offering, (ii) the Underwriting Agreement is not executed before May 14, 2021 (provided that the Company may by written notice to the undersigned prior to May 14, 2021, extend such date for a period of up to an additional three months, in the event that the Underwriting Agreement has not been executed by such date) or (iii) the Underwriting Agreement (other than the provisions thereof that survive termination) terminates or is terminated prior to payment for and delivery of the Shares to be sold thereunder, then in each case, this letter agreement shall automatically, and without any action on the part of any other party, terminate and be of no further force and effect, and the undersigned shall automatically be released from the obligations under this letter agreement.

The undersigned hereby represents and warrants that the undersigned has full power, capacity and authority to enter into this letter agreement. This letter agreement is irrevocable and will be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature page follows]
Very truly yours,

Name of Securityholder (Print exact name)

By:

Signature

If not signing in an individual capacity:

Name of Authorized Signatory (Print)

Title of Authorized Signatory (Print)

(Indicate capacity of person signing if signing as custodian, trustee or on behalf of an entity)
For purposes of the letter agreement to which this Annex A is attached and of which it is made a part:

“Call Equivalent Position” shall have the meaning set forth in Rule 16a-1(b) under the Exchange Act.


“Family Member” shall mean the spouse of the undersigned, an immediate family member of the undersigned or an immediate family member of the undersigned's spouse, in each case living in the undersigned’s household or whose principal residence is the undersigned’s household (regardless of whether such spouse or family member may at the time be living elsewhere due to educational activities, health care treatment, military service, temporary internship or employment or otherwise). “Immediate family member” as used above shall have the meaning set forth in Rule 16a-1(e) under the Exchange Act.

“Lock-up Period” shall mean the period beginning on the date hereof and continuing through the close of trading on the date that is 90 days after the date of the Prospectus.

“Put Equivalent Position” shall have the meaning set forth in Rule 16a-1(h) under the Exchange Act.

“Related Securities” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable or convertible into Shares.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Sell or Offer to Sell” shall mean to:

- sell, offer to sell, contract to sell or lend,
- effect any short sale or establish or increase a Put Equivalent Position or liquidate or decrease any Call Equivalent Position,
- pledge, hypothecate or grant any security interest in, or
- in any other way transfer or dispose of,

in each case whether effected directly or indirectly.

“Swap” shall mean any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise.

Capitalized terms not defined in this Annex A shall have the meanings given to them in the body of this lock-up agreement.
Directors, Officers and Others Signing Lock-up Agreement

[to be added]
Ladies and Gentlemen:

We have acted as counsel to Oncorus, Inc., a Delaware corporation (the “Company”), in connection with the filing by the Company of a Registration Statement on Form S-1 (the “Registration Statement”) with the Securities and Exchange Commission, including a related prospectus filed with the Registration Statement (the “Prospectus”), covering an underwritten public offering of up to 3,450,000 shares of the Company’s common stock par value $0.0001 per share (the “Shares”), including up to 450,000 Shares that may be sold pursuant to the exercise of an option to purchase additional shares to be granted to the underwriters.

In connection with this opinion, we have (i) examined and relied upon (a) the Registration Statement and the Prospectus, (b) the Company’s Amended and Restated Certificate of Incorporation and the Company’s Amended and Restated Bylaws, each as currently in effect and (c) the originals or copies certified to our satisfaction of such records, documents, certificates, memoranda, opinions and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below; and (ii) assumed that the Shares will be sold at a price established by the Board of Directors of the Company or a duly authorized committee thereof. We have undertaken no independent verification with respect to such matters.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies, the accuracy, completeness and authenticity of certificates of public officials and the due authorization, execution and delivery of all documents by all persons other than the Company where authorization, execution and delivery are prerequisites to the effectiveness thereof. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently verified such matters.

Our opinion is expressed only with respect to the General Corporation Law of the State of Delaware. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold and issued against payment therefor as described in the Registration Statement and the Prospectus, will be validly issued, fully paid and non-assessable.
We consent to the reference to our firm under the caption “Legal Matters” in the Prospectus included in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement.

Sincerely,

Cooley LLP

By: /s/ Marc A. Recht

Marc A. Recht

COOLEY LLP 500 BOYLSTON STREET BOSTON, MA 02116-3736
T: (617) 937-2300 F: (617) 937-2400 COOLEY.COM
ONCORUS, INC.

EMPLOYMENT AGREEMENT

This Employment Agreement (the “Agreement”), which shall be effective as of December 7, 2020 subject to the appointment by the Company’s Board of Directors (the “Board”) of the Executive as the Company’s Chief Operating Officer and Chief of Staff (the “Effective Date”), is made by and among Oncorus, Inc., a Delaware corporation (the “Company”) and Steve Harbin (“Executive” and, together with the Company, the “Parties”).

WHEREAS, the Company desires to assure itself of the services of Executive by continuing to engage Executive to perform services as an employee of the Company under the terms hereof;

WHEREAS, Executive desires to continue to provide services to the Company on the terms herein provided; and

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

   (a) General. The Company shall employ Executive upon the terms and conditions provided herein effective as of the Effective Date.

   (b) Position and Duties. Effective on the Effective Date (as defined above), Executive: (i) shall serve as the Company’s Chief Operating Officer and Chief of Staff, with responsibilities, duties, and authority usual and customary for such position, subject to direction by the Company’s Board; (ii) shall report directly to the Company’s Chief Executive Officer; and (iii) agrees promptly and faithfully to comply with (i) all reasonable and lawful directions and requests of the Board or a designated Committee thereof and (ii) all present and future policies of the Company in connection with the Company’s business. At the Company’s request, Executive shall serve the Company and/or its subsidiaries and affiliates in such other capacities in addition to the foregoing as the Company shall designate, provided that such additional capacities are consistent with Executive’s position as the Company’s Chief Operating Officer and Chief of Staff. In the event that Executive serves in any one or more of such additional capacities, Executive’s compensation shall not automatically be increased on account of such additional service beyond that specified in this Agreement.

   (c) Schedule. While this Agreement is in effect, Executive is expected to work the equivalent of 60% of a full-time schedule, which typically will equate to three (3) days per week devoted to Executive’s work for the Company. During the schedule established by the Company, Executive will devote his best efforts and substantially all of his business time and attention to the business of the Company. As a part-time exempt employee, Executive will be expected to work his part-time schedule and such additional time as may be required by the nature of Executive’s work assignments. Executive will not be eligible for overtime compensation.
(d) Exclusivity. Except with the prior written approval of the Board (which may grant or withhold in its sole and absolute discretion), during the schedule established by the Company Executive shall devote substantially all of his working time, attention, and energies to the business of the Company, except during any paid vacation or other excused absence periods. Nothing in this section prevents Executive from (i) engaging in additional activities in connection with personal investments and community affairs, and (ii) serving as a member of the board of directors of no more than three (3) organizations that are not a competitor of the Company and is approved by the Board; provided such activities do not individually or in the aggregate interfere with the performance of Executive’s duties under this Agreement, violate the Company’s standards of conduct then in effect, comply with the Company’s insider trading policies, or raise a conflict under the Company’s conflict of interest policies.

2. Term. The period of Executive’s employment under this Agreement shall commence on the Effective Date and shall continue until Executive’s employment with the Company is terminated pursuant to Section 5 below. The phrase “Term of Employment” as used in this Agreement shall refer to the entire period of employment of Executive by the Company.


(a) Annual Base Salary. Executive shall receive a base salary at the rate of $20,833.33 per month ($250,000 on an annualized basis) (as may be adjusted and in effect from time to time, the “Annual Base Salary”), subject to withholdings and deductions, which shall be paid to Executive in accordance with the customary payroll practices and procedures of the Company. Such Annual Base Salary shall be reviewed by the Board from time to time and is subject to such adjustments as determined necessary or appropriate by the Board.

(b) Annual Discretionary Bonus. During the Term of Employment, Executive shall be eligible to receive a discretionary annual calendar year performance bonus (the “Annual Bonus”) with an annual target of forty percent (40%) of Executive’s then-current Base Salary (the “Target Amount”). Whether or not Executive is eligible for any Annual Bonus will be dependent upon the actual achievement by Executive and the Company of the applicable individual and corporate performance goals, as determined in the sole discretion of the Board. No amount of any Annual Bonus is guaranteed at any time and may be greater or less than the Target Amount and may be zero. Executive must remain employed by the Company through the date of payment in order to remain eligible for such Annual Bonus. Any bonus awarded will be paid on or before March 15 of the year following the year for which the bonus is awarded. For the calendar year 2020, Executive will be eligible for an Annual Bonus prorated by the months in which Executive provides services.

(c) Benefits. Executive shall be eligible to participate in such employee and executive benefit plans and programs as the Company may from time to time offer to provide to its executives, subject to the terms and conditions of such plans and programs. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any particular plan, program or benefits. While serving as an executive of the Company, Executive shall be covered by the Company’s Directors and Officers Liability Insurance. If the Company has entered into indemnification agreements with members of its Board, the Company will enter into the same form of indemnification agreement with Executive in Executive’s capacity as a member of the Board.
(d) **Business Expenses.** The Company shall reimburse Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by Executive in the performance of Executive’s duties to the Company in accordance with the Company’s applicable expense reimbursement policies and procedures as are in effect from time to time.

4. **Equity.**

   (a) **Option Grant.** As soon as reasonably practicable following the Effective Date, the Company shall recommend to the Board that it grant to Executive under the Oncorus, Inc. 2020 Equity Incentive Plan (the “Plan”) and Executive’s Oncorus, Inc. 2020 Equity Incentive Plan Option Agreement (the “Option Agreement”), an option to purchase 169,000 shares of the Company’s common stock (the “Option”) having an exercise or purchase price per share equal to fair market value on the date of grant, as determined by the Board in its sole discretion. The Option shall vest and become exercisable with respect to 25% of the shares subject thereto on the first anniversary of the Effective Date and with respect to 1/48th of the shares subject thereto on each monthly anniversary of the Effective Date thereafter, in each case, subject to Executive’s Continuous Service (as defined in the Plan) through each vesting date.

   (b) **Performance Option Grant.** In addition, as soon as reasonably practicable following the Effective Date, the Company shall also recommend to the Board that it grant to Executive under Plan and Executive’s Option Agreement an option to purchase 113,000 shares of the Company’s common stock (the “Performance Option”) having an exercise or purchase price per share equal to fair market value on the date of grant, as determined by the Board in its sole discretion. The Option will be subject to all of the terms and conditions of the Plan and the Option Agreement to be entered into by the parties pursuant to which it is granted and will include the following vesting schedule: 1/3 of the total shares will vest on the date that the first oHSV GMP batch is released for clinical use at Oncorus’ new manufacturing facility; an additional 1/3 of the total shares will vest on the date that the first Synthetic GMP batch is released for clinical use at Oncorus’ new manufacturing facility; and the remaining 1/3 of the total shares will vest on the date that 3 consecutive commercially-viable validation runs generating ONCR-177 drug product available for commercial use is completed, in each case, subject to Executive’s Continuous Service through each vesting date. If (i) none or only a portion of the Performance Option has vested by the four-year anniversary of the Effective Date, and (ii) Executive continues to provide Continuous Service as an employee of the Company from the date hereof through the four-year anniversary of the Effective Date, then the vesting of the Performance Option shall be accelerated and vest in full on the four-year anniversary of the Effective Date.

   (c) **Future Annual Stock Option Awards.** Executive is eligible to be considered for future annual stock option awards as may be determined by the Board or a committee of the Board in its discretion in accordance with the terms of any applicable equity plan or arrangement that may be in effect from time to time.
5. Termination.

(a) At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and shall continue to be at-will, as defined under applicable law. This means that it is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, and for any or no particular reason or cause. This “at-will” nature of Executive’s employment shall remain unchanged during Executive’s tenure as an employee and may not be changed, except in an express writing signed by Executive. If Executive’s employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award, or compensation other than as provided in this Agreement.

(b) Notice of Termination. During the Term of Employment, any termination of Executive’s employment by the Company or by Executive (other than by reason of death) shall be communicated by written notice (a “Notice of Termination”) from one Party hereto to the other Party hereto (i) indicating the specific termination provision in this Agreement relied upon, if any, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive’s employment under the provision so indicated, and (iii) specifying the Date of Termination (as defined below). The failure by either the Company or Executive to set forth in the Notice of Termination all of the facts and circumstances which contribute to a showing of Cause (as defined below) or Good Reason (as defined below) shall not waive any right of the Company or Executive hereunder or preclude the Company or Executive from asserting such fact or circumstance in enforcing their rights hereunder.

(c) Termination Date. For purposes of this Agreement, “Date of Termination” shall mean the date of the termination of Executive’s employment with the Company specified in a Notice of Termination.

(d) Deemed Resignation. Upon termination of Executive’s employment for any reason, Executive shall be deemed to have resigned from all offices and board memberships, if any, then held with the Company or any of its affiliates, and, at the Company’s request, Executive shall promptly execute such documents as are necessary or desirable to effectuate such resignations.

6. Consequences of Termination.

(a) Payments of Accrued Obligations upon all Terminations of Employment. Upon a termination of Executive’s employment for any reason, Executive (or Executive’s estate or legal representative, as applicable) shall be entitled to receive, on or before the date required by applicable law and in any case within thirty (30) days after Executive’s Date of Termination: (i) any portion of Executive’s Annual Base Salary earned through Executive’s Date of Termination not theretofore paid, (ii) any expenses owed to Executive under Section 3(d) above, (iii) any accrued but unused paid time-off owed to Executive, and (iv) any amount arising from Executive’s participation in, or benefits under, any employee benefit plans, programs, or arrangements under Section 3(c) above, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs, or arrangements (together, the “Accrued Obligations”). Except as otherwise set forth in Section 6(b) below, the Accrued Obligations shall be the only payments and benefits payable in the event of Executive’s termination of employment for any reason; provided that such amount may be reduced in lieu of Executive’s repayment obligation as described in Section 6(c) if applicable.
(b) **Severance Payments upon Termination without Cause or For Good Reason Not in Connection with a Change in Control.** If, during the Term of Employment, Executive’s employment is terminated by the Company without Cause or Executive resigns for Good Reason, not in connection with a Change in Control (as defined below), in addition to the Accrued Obligations, and subject to Executive’s delivery to the Company of a waiver and release of claims agreement in a form approved by the Company that becomes effective and irrevocable in accordance with Section 11(d) hereof (a “Release,” the effective date of the Release the “Release Effective Date”) and Executive’s continued compliance with Executive’s obligations pursuant to Sections 6(e) and 8(a) hereof, Executive will also be eligible for the following “Severance Benefits”:

(i) Severance in an amount equal to twelve (12) months (the “Severance Period”) of Executive’s Annual Base Salary as of Executive’s Date of Termination, less all applicable withholdings and deductions, paid in equal installments beginning on the Company’s first regularly scheduled payroll date following the Release Effective Date, with the remaining installments occurring on the Company’s regularly scheduled payroll dates thereafter.

(ii) During the period commencing on the Date of Termination and ending upon expiration of the Severance Period or, if earlier, the date on which Executive becomes eligible for comparable replacement coverage under a subsequent employer’s group health plan (in any case, the “COBRA Period”), subject to Executive’s valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulation thereunder, payment by the Company of one-hundred percent (100%) of the COBRA premiums necessary to continue Executive and Executive’s covered dependents’ health insurance coverage in effect for Executive (and Executive’s covered dependents) on the termination date (the “COBRA Severance”); provided, however, that if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover Executive or Executive’s dependents under its group health plans, or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount in cash equal to the remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments over the COBRA Period (or remaining portion thereof).

(iii) Acceleration of the vesting of all outstanding unvested time-based equity awards that are held by Executive as of the date of Executive’s Date of Termination as to the number of shares that would have vested in accordance with the applicable vesting schedule as if Executive had been in service for an additional twelve (12) months as of Executive’s termination date (based upon months of service and not the occurrence of corporate events or milestones).
(c) Severance Payments upon Termination without Cause or For Good Reason In Connection with a Change in Control. In the event that the Company terminates Executive’s employment without Cause or Executive resigns for Good Reason within sixty (60) days prior to or twelve (12) months following the effective date of a Change in Control (“Change in Control Termination Date”), then Executive shall be entitled to the Accrued Obligations and, subject to Executive’s compliance with the requirements of this Section 6, including but not limited to delivery to the Company of the Release and compliance with his obligations pursuant to Sections 6(e) and 8(a), then Executive will be eligible for the following “Change in Control Severance Benefits”:

(i) Executive shall be eligible to receive the Severance Benefits set forth in Section 6(b)(i)-(iii) under the terms and conditions described in this Section 6, however such severance payments on Section 6(b)(i) shall not be paid in installments, and rather shall be paid in a lump sum on the Company’s first regularly scheduled payroll date following the Release Effective Date; and

(ii) Effective as of the later of Executive’s Change in Control Termination Date or the effective date of the Change in Control, the vesting and exercisability of all outstanding equity awards that are held by Executive as of immediately prior to the Change in Control Termination Date shall be accelerated (and lapse, in the case of reacquisition or repurchase rights) in full. Executive’s equity awards shall remain outstanding following Executive’s Change in Control Termination Date if and to the extent necessary to give effect to this Section 6(c)(ii), subject to earlier termination under the terms of the equity plan under which such awards were granted and the original maximum term of the award (without regard to Executive’s termination).

(d) No Other Severance. The provisions of this Section 6 shall supersede in their entirety any severance payment provisions in any severance plan, policy, program, or other arrangement maintained by the Company.

(e) Company Property. Executive hereby acknowledges and agrees that all Personal Property (as defined below) and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive’s employment, belongs to the Company and shall be promptly returned to the Company upon termination of Executive’s employment (and will not be kept in Executive’s possession or delivered to anyone else). For purposes of this Agreement, “Personal Property” includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, telephone calling cards, computer hardware and software, cellular and portable telephone equipment, personal digital assistant (PDA) devices, and all proprietary information relating to the business of the Company or its subsidiaries or affiliates. Following termination, Executive shall not retain any written or other tangible matter containing any proprietary information of the Company or its subsidiaries or affiliates.

(f) No Requirement to Mitigate; Survival. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner. Notwithstanding anything to the contrary in this Agreement, the termination of Executive’s employment shall not impair the rights or obligations of any Party.
(g) **Definition of Cause.** For purposes hereof, “Cause” shall mean any one of the following: (i) Executive’s violation of any applicable material law or regulation respecting the business of the Company; (ii) Executive’s conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude; (iii) any act of dishonesty, fraud, or misrepresentation in relation to Executive’s duties to the Company which act is materially and demonstrably injurious to the Company; (iv) Executive’s willful and repeated failure to perform in any material respect Executive’s duties hereunder after fifteen (15) days’ notice and an opportunity to cure such failure and a reasonable opportunity to present to the Board Executive’s position regarding any dispute relating to the existence of such failure (other than on account of disability); (v) Executive’s failure to attempt in good faith to implement a clear and reasonable directive from the Board or to comply with any of the Company’s policies and procedures which failure is either material or occurs after written notice from the Board; (vi) any act of gross misconduct which is materially and demonstrably injurious to the Company; or (vii) Executive’s breach of fiduciary duty owed to the Company. or (viii) Executive’s failure to pass to the satisfaction of the Company, a preliminary background check or failure to submit proof of legal eligibility to work in the United States.

(h) **Definition of Change in Control.** For purposes hereof, “Change in Control” shall have the meaning assigned to it in Section 14(j) of the Plan.

(i) **Definition of Good Reason.** For purposes hereof, “Good Reason” shall mean any one of the following: (i) a material reduction in Executive’s Base Salary (other than a reduction of not more than 10% that is applicable to similarly situated executives of the Company or a reduction of three (3) months or less due to financial exigency), (ii) the material reduction of Executive’s duties, authority and responsibilities as set forth herein, (iii) the Company’s material breach of this Agreement, or (iv) the relocation of Executive’s principal place of employment by more than fifty (50) miles, provided, that, in each case, Executive will not be deemed to have Good Reason unless (i) Executive first provides the Board with written notice of the condition giving rise to Good Reason within thirty (30) days of its initial occurrence, (ii) the Company or the successor company fails to cure such condition within thirty (30) days after receiving such written notice (the “Cure Period”), and (iii) Executive’s resignation based on such Good Reason is effective within thirty (30) days after the expiration of the Cure Period.

7. **Assignment and Successors.** The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company, Executive, and their respective successors, assigns, personnel, and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive’s rights or obligations may be assigned or transferred by Executive, other than Executive’s rights to payments hereunder, which may be transferred only by will, operation of law, or as otherwise provided herein.

(a) **Non-Competition Agreement.** Executive shall execute and abide by the Company’s standard form Employee Confidential Information and Invention Assignment Agreement (the “Non-Competition Agreement”).

(b) **Governing Law.** This Agreement shall be governed, construed, interpreted, and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the Commonwealth of Massachusetts, without giving effect to any principles of conflicts of law, whether of the Commonwealth of Massachusetts or any other jurisdiction, and where applicable, the laws of the United States, that would result in the application of the laws of any other jurisdiction.

(c) **Validity.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(e) ** Entire Agreement.** The terms of this Agreement, together with the Non-Competition Information Agreement and any indemnification agreement the Executive has with the Company, are intended by the Parties to be the final expression of their agreement with respect to the employment of Executive by the Company and supersede all prior understandings and agreements, whether written or oral, regarding Executive’s service to the Company. The Parties further intend that this Agreement, together with the Non-Competition Agreement, shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) **Amendments; Waivers.** This Agreement may not be modified, amended, or terminated except by an instrument in writing signed by Executive and a duly authorized representative of the Company. By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company, as applicable, may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) **Dispute Resolution.** The parties recognize that litigation in federal or state courts or before federal or state administrative agencies of disputes arising out of the Executive’s employment with the Company or out of this Agreement, or the Executive’s termination of employment or termination of this Agreement, may not be in the best interests of either the Executive or the Company, and may result in unnecessary costs, delays, complexities, and uncertainty. The parties agree that any dispute between the parties arising out of or relating to the negotiation, execution, performance or termination of this Agreement or the Executive’s
employment, including, but not limited to, any claim arising out of this Agreement, claims under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, Section 1981 of the Civil Rights Act of 1966, as amended, the Family Medical Leave Act, the Employee Retirement Income Security Act, and any similar federal, state or local law, statute, regulation, or any common law doctrine, whether that dispute arises during or after employment, shall be settled by binding arbitration with the American Arbitration Association in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association; provided however, that this dispute resolution provision shall not apply to any separate agreements between the parties that do not themselves specify arbitration as an exclusive remedy. The location for the arbitration shall be the Boston, Massachusetts metropolitan area. Any award made by such panel shall be final, binding and conclusive on the parties for all purposes, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitrators’ fees and expenses and all administrative fees and expenses associated with the filing of the arbitration shall be borne by the Company. The parties acknowledge and agree that their obligations to arbitrate under this Section survive the termination of this Agreement and continue after the termination of the employment relationship between Executive and the Company. The parties each further agree that the arbitration provisions of this Agreement shall provide each party with its exclusive remedy, and each party expressly waives any right it might have to seek redress in any other forum, except as otherwise expressly provided in this Agreement. By election arbitration as the means for final settlement of all claims, the parties hereby waive their respective rights to, and agree not to, sue each other in any action in a Federal, State or local court with respect to such claims, but may seek to enforce in court an arbitration award rendered pursuant to this Agreement. The parties specifically agree to waive their respective rights to a trial by jury, and further agree that no demand, request or motion will be made for trial by jury.

(h) Enforcement. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

(i) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local, or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.
(j) Notices. Any notices required hereunder to be in writing shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive’s address as listed on the Company payroll or to Executive’s Company-issued email address, or at such other address as the Company or Executive may designate by ten (10) days advance written notice to the other.

9. Prior Employment. Executive represents and warrants that Executive’s acceptance of employment with the Company has not breached, and the performance of Executive’s duties hereunder will not breach, any duty owed by Executive to any prior employer or other person. Executive further represents and warrants to the Company that (a) the performance of Executive’s obligations hereunder will not violate any agreement between Executive and any other person, firm, organization, or other entity; (b) Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by Executive entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement; and (c) Executive’s performance of Executive’s duties under this Agreement will not require Executive to, and Executive shall not, rely on in the performance of Executive’s duties or disclose to the Company or any other person or entity or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

10. Section 280G Matters.

(a) Best Pay. Any provision of this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company, whether pursuant to this Agreement or otherwise, ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment will be equal to the Reduced Amount (as defined below). The "Reduced Amount" will be either (A) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (B) the entire Payment, whichever amount, after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes, if applicable), results in Executive’s receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (A) of the preceding sentence, the reduction shall occur in the manner (the "Reduction Method") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "Pro Rata Reduction Method"). Notwithstanding the foregoing, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A (as defined below) that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (1) as a first priority,
the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (2) as a second priority, Payments that are contingent on future events (e.g., being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (3) as a third priority, Payments that are “deferred compensation” within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(b) Accounting or Law Firm. The accounting firm or law firm engaged by the Company for general tax purposes as of the day prior to the Change of Control will perform the calculations set forth in Section 10(a) above. If the firm so engaged by the Company is serving as the accountant or auditor, or lawyer for the acquiring company, the Company may appoint a nationally recognized accounting or law firm to make the determinations required hereunder. The Company will bear all reasonable expenses with respect to the determinations by such firm required to be made hereunder. The firm engaged to make the determinations hereunder will provide its calculations, together with detailed supporting documentation, at such time as requested by the Company. If the firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it will furnish the Company with documentation reasonably acceptable to the Company that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the firm made hereunder will be final, binding and conclusive upon the Company and Executive.

11. Section 409A; Release

(a) General. The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date, (“Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be exempt from or in compliance therewith. Notwithstanding anything herein to the contrary, in no event shall the Company or its affiliates have any liability to Executive or to any other person in the event that the Agreement is no so exempt from or compliant with Section 409A.

(b) Separation from Service. Notwithstanding any provision to the contrary in this Agreement: (i) no amount that constitutes “deferred compensation” under Section 409A shall be payable pursuant to Section 6(b) above unless the termination of Executive’s employment constitutes a “separation from service” within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations (“Separation from Service”); (ii) for purposes of Section 409A, Executive’s right to receive installment payments shall be treated as a right to receive a series of separate and distinct payments; and (iii) to the extent that any reimbursement of expenses or in-kind benefits constitutes “deferred compensation” under Section 409A, such reimbursement or 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.
(c) **Specified Employee.** Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive’s Separation from Service to be a “specified employee” for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive’s benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive’s Separation from Service with the Company or (ii) the date of Executive’s death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive’s estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(d) **Release.** Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive’s termination of employment are subject to Executive’s execution and delivery of a Release, and if Executive fails to execute the Release on or prior to the Release Expiration Date (as defined below) or timely revokes Executive’s acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release, and (iii) in any case where Executive’s Date of Termination and the Release Expiration Date fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes of this Section 11(d), “Release Expiration Date” shall mean the date that is twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive, or, in the event that Executive’s termination of employment is “in connection with an exit incentive or other employment termination program” (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date that is forty-five (45) days following such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive’s termination of employment are delayed pursuant to this Section 11(d), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and does not revoke the Release (and the applicable revocation period has expired) or, in the case of any payments subject to Section 11(d)(iii), on the first payroll period to occur in the subsequent taxable year, if later.

12. **Employee Acknowledgement.** Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive’s own judgment.

[Signature Page Follows]
IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date and year first above written.

ONCORUS, INC.

By: /s/ Ted Ashburn
Name: Ted Ashburn
Title: President, CEO

EXECUTIVE

By: /s/ Steve Harbin
Name: Steven Harbin
Address: [ADDRESS]
EXHIBIT A

ONCORUS, INC.

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

In consideration of my employment or continued employment by ONCORUS, INC., its subsidiaries, parents, affiliates, successors and assigns (together “Company”), and the compensation paid to me now and during my employment with Company, and the Company’s agreement to provide me with access to its Confidential Information (as defined below), I hereby enter into this Employee Confidential Information and Invention Assignment Agreement (the “Agreement”) and agree as follows:

1. Confidential Information Protections.
   1.1 Recognition of Company’s Rights; Nondisclosure. I understand and acknowledge that my employment by Company creates a relationship of confidence and trust with respect to Company’s Confidential Information (as defined below) and that Company has a protectable interest therein. At all times during and after my employment, I will hold in confidence and will not disclose, use, lecture upon, or publish any of Company’s Confidential Information, except as such disclosure, use or publication may be required in connection with my work for Company, or unless an officer of Company expressly authorizes such disclosure. I will obtain Company’s written approval before publishing or submitting for publication any material (written, oral, or otherwise) that discloses and/or incorporates any Confidential Information. I hereby assign to Company any rights I may have or acquire in such Confidential Information and recognize that all Confidential Information will be the sole and exclusive property of Company and its assigns. I will take all reasonable precautions to prevent the inadvertent accidental disclosure of Confidential Information. Notwithstanding the foregoing, pursuant to 18 U.S.C. Section 1833(b), I will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

   1.2 Confidential Information. The term “Confidential Information” means any and all confidential knowledge, data or information of Company. By way of illustration but not limitation, “Confidential Information” includes (a) trade secrets, inventions, mask works, ideas, processes, formulas, software in source or object code, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques and any other proprietary technology and all Intellectual Property Rights (as defined below) therein (collectively, “Inventions”); (b) information regarding research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, margins, discounts, credit terms, pricing and billing policies, quoting procedures, methods of obtaining business, forecasts, future plans and potential strategies, financial projections and business strategies, operational plans, financing and capital-raising plans, activities and agreements, internal services and operational manuals, methods of conducting Company business, suppliers and supplier information, and purchasing; (c) information regarding customers and potential customers of Company, including customer lists, names, representatives, their needs or desires with respect to the types of products or services offered by Company, proposals, bids, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided to customers and potential customers of Company and other non-public information relating to customers and potential customers; (d) information regarding any of Company’s business partners and their services, including names, representatives, proposals, bids, contracts and their contents and parties, the type and quantity of products and services received by Company, and other non-public information relating to business partners; (e) information regarding personnel, employee lists, compensation, and employee skills; and (f) any other non-public information which a competitor of Company could use to the competitive disadvantage of Company. Notwithstanding the foregoing, it is understood that, at all such times, I am free to use information which was known to me prior to my employment with Company or which is generally known in the trade or industry through no breach of this Agreement or other act or omission by me. Notwithstanding the foregoing or anything to the contrary in this Agreement or any other agreement between the Company and me, nothing in this Agreement will limit my right to discuss my employment or report possible
violations of law or regulation with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, or other federal government agency or similar state or local agency or to discuss the terms and conditions of my employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act or to the extent that such disclosure is protected under the applicable provisions of law or regulation, including but not limited to “whistleblower” statutes or other similar provisions that protect such disclosure.

1.3 Third Party Information. I understand, in addition, that Company has received and in the future will receive from third parties their confidential and/or proprietary knowledge, data or information (“Third Party Information”) subject to a duty on Company’s part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of my employment and thereafter, I will hold Third Party Information in confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for Company) or use, except in connection with my work for Company, Third Party Information or unless expressly authorized by an officer of Company in writing.

1.4 Term of Nondisclosure Restrictions. I understand that Confidential Information and Third Party Information is never to be used or disclosed by me, as provided in this Section 1. If a temporal limitation on my obligation not to use or disclose such information is required under applicable law, and the Agreement or its restriction(s) cannot otherwise be enforced, I agree and Company agrees that the two year period after the date my employment ends will be the temporal limitation relevant to the contested restriction: provided, however, that this sentence will not apply to trade secrets protected without temporal limitation under applicable law.

1.5 No Improper Use of Information of Prior Employers and Others. During my employment by Company, I will not improperly use or disclose confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality, and I will not bring onto the premises of Company any unpublished documents or any property belonging to any former employer or any other person to whom I have an obligation of confidentiality unless consented to in writing by that former employer or person.

2. Assignments of Inventions.

2.1 Definitions. As used in this Agreement, the term “Intellectual Property Rights” means all trade secrets, Copyrights, trademarks, mask work rights, patents and other intellectual property rights recognized by the laws of any jurisdiction or country; the term “Copyright” means the exclusive legal right to reproduce, perform, display, distribute and make derivative works of a work of authorship (as a literary, musical, or artistic work) recognized by the laws of any jurisdiction or country; and the term “Moral Rights” means all paternity, integrity, disclosure, withdrawal, special and any other similar rights recognized by the laws of any jurisdiction or country.

2.2 Excluded Inventions and Other Inventions. Attached hereto as Exhibit A is a list describing all existing Inventions, if any, (a) that are owned by me or in which I have an interest and were made or acquired by me prior to my date of first employment by Company, (b) that may relate to Company’s business or actual or demonstrably anticipated research or development, and (c) that are not to be assigned to Company (“Excluded Inventions”). If no such list is attached, I represent and agree that it is because I have no Excluded Inventions. For purposes of this Agreement, “Other Inventions” means Inventions in which I have or may have an interest, as of the commencement of my employment or thereafter, other than Company Inventions (as defined below) and Excluded Inventions. I acknowledge and agree that if I use any Excluded Inventions or any Other Inventions in the scope of my employment, or if I include any Excluded Inventions or Other Inventions in any product or service of Company, or if my rights in any Excluded Inventions or Other Inventions may block or interfere with, or may otherwise be required for, the exercise by Company of any rights assigned to Company under this Agreement, I will immediately so notify Company in writing. Unless Company and I agree otherwise in writing as to particular Excluded Inventions or Other Inventions, I hereby grant to Company, in such circumstances (whether or not I give Company notice as required above), a non-exclusive, perpetual, fully-paid and royalty-free, irrevocable and worldwide license, with rights to sublicense through multiple levels of sublicensees, to reproduce, make derivative works of, distribute, publicly perform, and publicly display in any form or medium, whether now known or later developed, make, have made, use, sell, import, offer for sale, and exercise any and all present or future rights in, such Excluded Inventions.
Inventions and Other Inventions. To the extent that any third parties have rights in any such Other Inventions, I hereby represent and warrant that such third party or parties have validly and irrevocably granted to me the right to grant the license stated above.

2.3 Assignment of Company Inventions. Inventions assigned to Company or to a third party as directed by Company pursuant to Section 2.6 are referred to in this Agreement as “Company Inventions.” Subject to Section 2.4 and except for Excluded Inventions set forth in Exhibit A and Other Inventions, I hereby assign to Company all my right, title, and interest in and to any and all Inventions (and all Intellectual Property Rights with respect thereto) made, conceived, reduced to practice, or learned by me, either alone or with others, during the period of my employment by Company. To the extent required by applicable Copyright laws, I agree to assign in the future (when any copyrightable Inventions are first fixed in a tangible medium of expression) my Copyright rights in and to such Inventions. Any assignment of Company Inventions (and all Intellectual Property Rights with respect thereto) hereunder includes an assignment of all Moral Rights. To the extent such Moral Rights cannot be assigned to Company and to the extent the following is allowed by the laws in any country where Moral Rights exist, I hereby unconditionally and irrevocably waive the enforcement of such Moral Rights, and all claims and causes of action of any kind against Company or related to Company’s customers, with respect to such rights. I further acknowledge and agree that neither my successors-in-interest nor legal heirs retain any Moral Rights in any Company Inventions (and any Intellectual Property Rights with respect thereto).

2.4 Unassigned or Nonassignable Inventions. I recognize that this Agreement will not be deemed to require assignment of any Invention that I developed entirely on my own time without using the Company’s equipment, supplies, facilities, trade secrets, or Confidential Information, except for those Inventions that either (i) relate to the Company’s actual or anticipated business, research or development, or (ii) result from or are connected with work performed by me for the Company. In addition, this Agreement does not apply to any Invention which qualifies fully for protection from assignment to the Company under any specifically applicable state law, regulation, rule or public policy (“Specific Inventions Law”).

2.5 Obligation to Keep Company Informed. During the period of my employment, I will promptly and fully disclose to Company in writing all Inventions authored, conceived, or reduced to practice by me, either alone or jointly with others. At the time of each such disclosure, I will advise Company in writing of any Inventions that I believe fully qualify for protection under the provisions of the Specific Inventions Law; and I will at that time provide to Company in writing all evidence necessary to substantiate that belief. Company will keep in confidence and will not use for any purpose or disclose to third parties without my consent any confidential information disclosed in writing to Company pursuant to this Agreement relating to Inventions that qualify fully for protection under the Specific Inventions Law. I will preserve the confidentiality of any Invention that does not fully qualify for protection under the Specific Inventions Law.

2.6 Government or Third Party. I agree that, as directed by Company, I will assign to a third party, including without limitation the United States, all my right, title, and interest in and to any particular Invention.

2.7 Ownership of Work Product.

(a) I acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of my employment and which are protectable by Copyright are “works made for hire,” pursuant to United States Copyright Act (17 U.S.C., Section 101).

(b) I agree that Company will exclusively own all work product that is made by me (solely or jointly with others) within the scope of my employment, and I hereby irrevocably and unconditionally assign to Company all right, title, and interest worldwide in and to such work product. I understand and agree that I have no right to publish on, submit for publishing, or use for any publication any work product protected by this Section, except as necessary to perform services for Company.

2.8 Enforcement of Intellectual Property Rights and Assistance. I will assist Company in every proper way to obtain, and from time to time enforce, United States and foreign Intellectual Property Rights and Moral Rights relating to Company Inventions in any and all countries. To that end I will execute, verify and deliver

Employee Confidential Information and Inventions Assignment Agreement
such documents and perform such other acts (including appearances as a witness) as Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Intellectual Property Rights and the assignment thereof. In addition, I will execute, verify and deliver assignments of such Intellectual Property Rights to Company or its designee, including the United States or any third party designated by Company. My obligation to assist Company with respect to Intellectual Property Rights relating to such Company Inventions in any and all countries will continue beyond the termination of my employment, but Company will compensate me at a reasonable rate after my termination for the time actually spent by me at Company’s request on such assistance. In the event Company is unable for any reason, after reasonable effort, to secure my signature on any document needed in connection with the actions specified in this paragraph, I hereby irrevocably designate and appoint Company and its duly authorized officers and agents as my agent and attorney in fact, which appointment is coupled with an interest, to act for and on my behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of the preceding paragraph with the same legal force and effect as if executed by me. I hereby waive and quitclaim to Company any and all claims, of any nature whatsoever, which I now or may hereafter have for infringement of any Intellectual Property Rights assigned under this Agreement to Company.

2.9 Incorporation of Software Code. I agree that I will not incorporate into any Company software or otherwise deliver to Company any software code licensed under the GNU General Public License or Lesser General Public License or any other license that, by its terms, requires or conditions the use or distribution of such code on the disclosure, licensing, or distribution of any source code owned or licensed by Company except in strict compliance with Company’s policies regarding the use of such software.

3. Records. I agree to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that is required by Company) of all Confidential Information developed by me and all Company Inventions made by me during the period of my employment at Company, which records will be available to and remain the sole property of Company at all times.

4. Duty of Loyalty During Employment. I agree that during the period of my employment by Company, I will not, without Company’s express written consent, directly or indirectly engage in any employment or business activity which is directly or indirectly competitive with, or would otherwise conflict with, my employment by Company.

5. No Solicitation of Employees, Consultants, Contractors, or Customers or Potential Customers. Except as modified by Section 10.3 below, I agree that during the period of my employment and for the one year period after the date my employment ends for any reason, including but not limited to voluntary termination by me or involuntary termination by Company, I will not, as an officer, director, employee, consultant, owner, partner, or in any other capacity, either directly or through others, except on behalf of Company:

5.1 solicit, induce, encourage, or participate in soliciting, inducing or encouraging any person known to me to be an employee, consultant, or independent contractor of Company to terminate his or her relationship with Company, even if I did not initiate the discussion or seek out the contact;

5.2 solicit, induce, encourage, or participate in soliciting, inducing, or encouraging any person known to me to be an employee, consultant, or independent contractor of Company to terminate his or her relationship with Company to render services to me or any other person or entity that researches, develops, markets, sells, performs or provides or is preparing to develop, market, sell, perform or provide Conflicting Services (as defined below);

5.3 hire, employ, or engage in a business venture with as partners or owners or other joint capacity, or attempt to hire, employ, or engage in a business venture as partners or owners or other joint capacity, with any person then employed by Company or who has left the employment of Company within the preceding three months to research, develop, market, sell, perform or provide Conflicting Services;

5.4 solicit, induce or attempt to induce any Customer or Potential Customer (as defined below), to terminate, diminish, or materially alter in a manner harmful to Company its relationship with Company;

5.5 solicit or assist in the solicitation of any Customer or Potential Customer to induce or attempt to induce such Customer or Potential Customer to purchase or contract for any Conflicting Services; or
5.6 perform, provide or attempt to perform or provide any Conflicting Services for a Customer or Potential Customer.

The parties agree that for purposes of this Agreement, a “Customer or Potential Customer” is any person or entity who or which, at any time during the one year period prior to my contact with such person or entity as described in Sections 5.4, 5.5 or 5.6 above if such contact occurs during my employment or, if such contact occurs following the termination of my employment, during the one year period prior to the date my employment with Company ends: (i) contracted for, was billed for, or received from Company any product, service or process with which I worked directly or indirectly during my employment by Company or about which I acquired Confidential Information; or (ii) was in contact with me or in contact with any other employee, owner, or agent of Company, of which contact I was or should have been aware, concerning the sale or purchase of, or contract for, any product, service or process with which I worked directly or indirectly during my employment with Company or about which I acquired Confidential Information; or (iii) was solicited by Company in an effort in which I was involved or of which I was aware.


6.1 Except as modified by Section 10.3 below, unless I am classified as nonexempt under the Fair Labor Standards Act, 29 U.S.C. 201-219, I agree that during the period of my employment and for the one year period after the termination of my employment relationship with the Company due to voluntary termination by me or involuntary termination by the Company for Cause (defined below), I will not, whether paid or not: (i) serve as a partner, principal, licensor, licensee, employee, consultant, officer, director, manager, agent, affiliate, representative, advisor, promoter, associate, investor, or otherwise for, (ii) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, or (iii) build, design, finance, acquire, lease, operate, manage, control, invest in, work or consult for or otherwise join, participate in or affiliate myself with, any business whose business, products or operations are in any respect involved in Conflicting Services (defined below) anywhere in the Restricted Territory (defined below). Should I obtain other employment during my employment with the Company or within 12 months immediately following the termination of my relationship with the Company, I agree to provide written notification to the Company as to the name and address of my new employer, the position that I expect to hold, and a general description of my duties and responsibilities, at least three business days prior to starting such employment.

6.2 The parties further agree that for purposes of this Agreement, “Conflicting Services” means any business in which the Company is engaged, or in which the Company has plans to be engaged, or any service that the Company provides or has plans to provide.

6.3 I agree that for purposes of this Agreement, “Restricted Territory” means the geographic areas in which I provided services for the Company or had a material presence or influence, during any time within the last two years prior to the termination of my relationship with the Company.

6.4 I agree that for purposes of this Agreement, “Cause” shall mean a termination of my employment by the Company due to my misconduct or failure to meet the Company’s performance expectations.

6.5 The Company may elect to enforce the provisions of this Section 6 or waive them at its sole discretion. If the Company elects to enforce the provisions of this Section, such election may be accomplished by the Company providing me with written notice of its election to enforce: (A) on or before the last day of my employment with the Company pursuant to an involuntary termination by the Company for Cause, or (B) within 2 weeks after the Company’s receipt of written notice from me of my resignation from employment. If the Company elects to enforce the provisions of this Section 6 then the Company must either: (i) accelerate the vesting of my Company stock options by 12 months (“Mutually Agreed Upon Consideration”), or, in the event I do not have any Company stock options, (ii) pay me continuing salary payments for one year following termination of my employment at a rate equal to no less than 50% of the highest annualized base salary paid to me by the Company within the two years prior to the termination of my relationship with the Company (“Garden Leave Payments”). Notwithstanding anything to the contrary above, the Company may enforce the covenants in this Section 6 without providing the Garden Leave Payments, if applicable, if it determines in good
faith that I breached this Section 6 or unlawfully misappropriated the
Company’s physical or electronic property. For avoidance of doubt, the
Company’s failure to timely elect to enforce the provisions of this
Section 6 shall be construed as its waiver of the provisions of this
Section 6. For further avoidance of doubt, if the Company does not elect
to enforce, I am classified as nonexempt under the Fair Labor Standards
Act, 29 U.S.C. 201-219, or the Company is otherwise prohibited by law
or a court from enforcing, the provisions of this Section 6, I will not be
subject to the restrictions in this Section 6 nor will I be entitled to any
Mutually Agreed Upon Consideration or Garden Leave Payments.

6.6 I acknowledge that I have received $500 from the Company in
exchange for my agreement to the restrictions in this Section 6.

7. Reasonableness of Restrictions.

7.1 I agree that I have read this entire Agreement and understand it.
I acknowledge that I have the right to consult with counsel prior to
signing this Agreement. I further acknowledge that I will derive
significant value from the Company’s agreement to provide me with
Company Confidential Information to enable me to optimize the
performance of my duties to the Company. I further acknowledge that
my fulfillment of the obligations contained in this Agreement, including,
but not limited to, my obligation neither to disclose nor to use Company
Confidential Information other than for the Company’s exclusive benefit
and my obligations not to compete and not to solicit are necessary to
protect Company Confidential Information and, consequently, to
preserve the value and goodwill of the Company. I agree that this
Agreement does not prevent me from earning a living or pursuing my
career. I agree that the restrictions contained in this Agreement are
reasonable, proper, and necessitated by Company’s legitimate business
interests. I represent and agree that I am entering into this Agreement
freely and with knowledge of its contents with the intent to be bound by
the Agreement and the restrictions contained in it.

7.2 In the event that a court finds this Agreement, or any of its
restrictions, to be ambiguous, unenforceable, or invalid, I and Company
agree that the court will read the Agreement as a whole and interpret the
restriction(s) at issue to be enforceable and valid to the maximum extent
allowed by law.

7.3 If the court declines to enforce this Agreement in the manner
provided in subsection 7.2, Company and I agree that this Agreement will
be automatically modified to provide Company with the maximum
protection of its business interests allowed by law and I agree to be bound
by this Agreement as modified.

8. No Conflicting Agreement or Obligation. I represent that my
performance of all the terms of this Agreement and as an employee of
Company does not and will not breach any agreement to keep in
confidence information acquired by me in confidence or in trust prior to
my employment by Company. I have not entered into, and I agree I will
not enter into, any agreement either written or oral in conflict with this
Agreement.

9. Return of Company Property. When I leave the employ of Company,
I will deliver to Company any and all drawings, notes, memoranda,
specifications, devices, formulas and documents, together with all copies
thereof, and any other material containing or disclosing any Company
Inventions, Third Party Information or Confidential Information of
Company. I agree that I will not copy, delete, or alter any information
contained upon my Company computer or Company equipment before I
return it to Company. In addition, if I have used any personal computer,
server, or e-mail system to receive, store, review, prepare or transmit any
Company information, including but not limited to, Confidential
Information, I agree to provide Company with a computer-useable copy of
all such Confidential Information and then permanently delete and
expunge such Confidential Information from those systems; and I agree to
provide Company access to my system as reasonably requested to verify
that the necessary copying and/or deletion is completed. I further agree
that any property situated on Company’s premises and owned by
Company, including disks and other storage media, filing cabinets or other
work areas, is subject to inspection by Company’s personnel at any time
with or without notice. Prior to leaving, I will cooperate with Company in
attending an exit interview and completing and signing Company’s
termination statement if required to do so by Company.

Employee Confidential Information and Inventions Assignment Agreement

Page 7
10. Legal and Equitable Remedies.

10.1 I agree that it may be impossible to assess the damages caused by my violation of this Agreement or any of its terms. I agree that any threatened or actual violation of this Agreement or any of its terms will constitute immediate and irreparable injury to Company, and Company will have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond and without prejudice to any other rights and remedies that Company may have for a breach or threatened breach of this Agreement.

10.2 I agree that if Company is successful in whole or in part in any legal or equitable action against me under this Agreement, Company will be entitled to payment of all costs, including reasonable attorney’s fees, from me.

10.3 In the event Company determines that I have breached a fiduciary duty owed to it or misappropriated the Company’s physical or electronic property, I agree that the restrictions of Sections 5 and 6 will remain in effect for a period of 24 months after the termination of my relationship with the Company.

11. Notices. Any notices required or permitted under this Agreement will be given to Company at its headquarters location at the time notice is given, labeled “Attention Chief Executive Officer,” and to me at my address as listed on Company payroll, or at such other address as Company or I may designate by written notice to the other. Notice will be effective upon receipt or refusal of delivery. If delivered by certified or registered mail, notice will be considered to have been given five business days after it was mailed, as evidenced by the postmark. If delivered by courier or express mail service, notice will be considered to have been given on the delivery date reflected by the courier or express mail service receipt.

12. Publication of This Agreement to Subsequent Employer or Business Associates of Employee.

12.1 If I am offered employment or the opportunity to enter into any business venture as owner, partner, consultant or other capacity while the restrictions described in Sections 5 and 6 of this Agreement are in effect I agree to inform my potential employer, partner, co-owner and/or others involved in managing the business with which I have an opportunity to be associated of my obligations under this Agreement and also agree to provide copies of this Agreement to my employer, partner, co-owner and/or others involved in managing the business with which I am employed or associated and to make such persons aware of my obligations under this Agreement.

12.2 I agree to inform Company of all employment and business ventures which I enter into while the restrictions described in Sections 5 and 6 of this Agreement are in effect and I also authorize Company to provide copies of this Agreement to my employer, partner, co-owner and/or others involved in managing the business with which I am employed or associated and to make such persons aware of my obligations under this Agreement.


13.1 Governing Law; Consent to Personal Jurisdiction. This Agreement will be governed by and construed according to the laws of the Commonwealth of Massachusetts as such laws are applied to agreements entered into and to be performed entirely within Massachusetts between residents of Massachusetts. I hereby expressly consent to the personal jurisdiction and venue of the state and federal courts located in Massachusetts for any lawsuit filed there against me by Company arising from or related to this Agreement.

13.2 Severability. In case any one or more of the provisions, subsections, or sentences contained in this Agreement will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect the other provisions of this Agreement, and this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement. If moreover, any one or more of the provisions contained in this Agreement will for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it will be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it will then appear.

13.3 Successors and Assigns. This Agreement is for my benefit and the benefit of Company, its successors, assigns, parent corporations, subsidiaries, affiliates, and purchasers, and will be binding upon my heirs, executors, administrators and other legal representatives.

13.4 Survival. This Agreement will survive the termination of my employment, regardless of the reason, and the assignment of this Agreement by Company to any successor in interest or other assignee.

13.5 Employment At-Will. I agree and understand that nothing in this Agreement will change my at-will employment status or confer any right with respect to continuation of employment by Company, nor will it interfere in any way with my right or Company’s right to terminate my employment at any time, with or without cause or advance notice.
13.6 Waiver. No waiver by Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach. No waiver by Company of any right under this Agreement will be construed as a waiver of any other right. Company will not be required to give notice to enforce strict adherence to all terms of this Agreement.

13.7 Export. I agree not to export, reexport, or transfer, directly or indirectly, any U.S. technical data acquired from Company or any products utilizing such data, in violation of the United States export laws or regulations.

13.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

13.9 Advice of Counsel. I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT WILL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION OF THIS AGREEMENT.

13.10 Entire Agreement. The obligations pursuant to Sections 1 and 2 (except Subsection 2.4 and Subsection 2.7(a)) of this Agreement will apply to any time during which I was previously engaged, or am in the future engaged, by Company as a consultant if no other agreement governs nondisclosure and assignment of inventions during such period. This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matter of this Agreement and supersedes and merges all prior discussions between us; provided, however, prior to the execution of this Agreement, if Company and I were parties to any agreement regarding the subject matter hereof, that agreement will be superseded by this Agreement prospectively only. No modification of or amendment to this Agreement will be effective unless in writing and signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement.

[signatures to follow on next page]

Employee Confidential Information and Inventions Assignment Agreement

Page 9
This Agreement will be effective as of the date of my signature below, with the exception of Section 6 of this Agreement, which will be effective as of 10 business days after December 7, 2020.

EMPLOYEE:

I have read this agreement carefully and understand its terms. I have completely filled out Exhibit A to this Agreement.

/s/ Steve Harbin  
(Signature)  
Steve Harbin  
Name  
12/2/2020  
Date  
[EMAIL ADDRESS]  
Email  

COMPANY:

Accepted and agreed

Oncorus, Inc.

By:  /s/ Ted Ashburn  
Name: Ted Ashburn  
Title: President, CEO  
Email: [EMAIL ADDRESS]
TO: Oncorus, Inc.
FROM: Steve Harbin
DATE: 12/2/2020

1. Excluded Inventions Disclosure. Except as listed in Section 2 below, the following is a complete list of all Excluded Inventions:

☐ No Excluded Inventions.
☐ See below:

<table>
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<th>Excluded Invention</th>
<th>Party(ies)</th>
<th>Relationship</th>
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☐ Additional sheets attached.

2. Due to a prior confidentiality agreement, I cannot complete the disclosure under Section 1 above with respect to the Excluded Inventions generally listed below, the intellectual property rights and duty of confidentiality with respect to which I owe to the following party(ies):

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☐ Additional sheets attached.
LEASE AGREEMENT

BY AND BETWEEN

IQHQ–4 CORPORATE, LLC,
a Delaware limited liability company,

AS LANDLORD,

AND

ONCORUS, INC.,
a Delaware corporation,

AS TENANT

First Floors of Pod 4 and Pod 5 Plus a Portion of Ground Floor of Pod 5

Innovation Park
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(ii)
ARTICLE 31 OPTION TO EXTEND
(a) Option Right
(b) Option Rent
(c) Exercise of Option
(d) Determination of Option Rent

ARTICLE 32 RIGHT OF FIRST OFFER
(a) Right of First Offer

ARTICLE 33 SIGNAGE

EXHIBIT “A” PREMISES
EXHIBIT “A-1” BUILDING/LABORATORY SYSTEMS
EXHIBIT “B” RULES AND REGULATIONS
EXHIBIT “C” NOTICE OF TERM DATES AND TENANT’S PROPORTIONATE SHARE
EXHIBIT “D” TENANT WORK LETTER
EXHIBIT “E” LETTER OF CREDIT
EXHIBIT “F” ENVIRONMENTAL QUESTIONNAIRE
EXHIBIT “G” INITIAL EQUIPMENT, NON-REMOVAL EQUIPMENT
EXHIBIT “H” RESERVED PARKING LOCATIONS
EXHIBIT “I” LANDLORD’S CONSTRUCTION RULES AND REGULATIONS
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(vi)
LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into as of December 29, 2020, by and between IQHQ-4 CORPORATE, LLC, a Delaware limited liability company ("Landlord"), and ONCORUS, INC., a Delaware corporation ("Tenant").

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises located in the South Building (such building includes Pods 3, 4 and 5) ("Building") described as: (i) the entire first floor of Pod 4 containing approximately 33,518 rentable square feet (the "Pod 4 Portion"), (ii) the entire first floor of Pod 5 containing a total of approximately 41,630 rentable square feet (the "Pod 5 First Floor Portion"), (iii) a portion of the ground floor of Pod 5 containing approximately 13,036 rentable square feet and including the chemical storage area located therein as of the date hereof (the "Pod 5 Ground Floor Portion," and together with the Pod 5 First Floor Portion, the "Pod 5 Portion"), all as designated on the plan attached hereto and incorporated herein as Exhibit "A" (collectively, the Pod 4 Portion and the Pod 5 Portion is referred to herein as the "Premises"), of the project ("Project") now known as Innovation Park @ 4 Corporate Drive whose address is 4 Corporate Drive, Andover, Massachusetts for the Term upon the terms and conditions hereinafter set forth, and Landlord and Tenant hereby agree as follows:

ARTICLE 1
BASIC LEASE PROVISIONS

A. Term: Approximately fifteen (15) years following the Pod 5 Portion Commencement Date (as defined herein).

Commencement Date: With respect to the Pod 4 Portion of the Premises only (the "Pod 4 Portion Commencement Date"): October 1, 2021. Notwithstanding anything to the contrary contained herein, Tenant shall have the right to commence business from the Pod 4 Portion of the Premises from and after the actual Delivery Date until the day immediately prior to the Pod 4 Portion Commencement Date (the "Pod 4 Portion Beneficial Occupancy Period"), provided that: (i) Tenant shall give Landlord at least ten (10) days’ prior notice of any such beneficial occupancy of the Pod 4 Portion Premises, (ii) Tenant shall have substantially completed construction of the Improvements in the Pod 4 Portion of the Premises in accordance with Approved Working Drawings (as such terms are defined in the Tenant Work Letter attached hereto as Exhibit "D" and as the same may be modified pursuant to the terms hereof) and a certificate of occupancy (or its equivalent) shall have been issued by the appropriate governmental authorities for the Pod 4 Portion of the Premises, and (iii) all of the terms and conditions of this Lease shall apply during the Pod 4 Portion Beneficial Occupancy Period (if any), including, without limitation, (a) Tenant’s obligations to pay Tenant’s Proportionate Share of Direct Costs attributable to the Pod 4 Portion of the Premises and for utilities pursuant to applicable terms of this Lease during any Pod 4 Portion Beneficial Occupancy Period, (b) Tenant’s obligation to pay Basic Rental during any Pod 4 Portion Beneficial Occupancy Period but only in accordance with the terms further provided hereinafter and (c) Tenant’s indemnification, reporting, insurance, maintenance, repair, utility obligations shall also apply, except that (aa) Tenant’s obligation to pay Tenant’s Proportionate Share of Direct Costs during the Pod 4 Portion Beneficial Occupancy Period (if any) shall be calculated based upon the rentable square feet contained in the Pod 4 Portion of the Premises only (i.e., approximately 15.81%) and
Tenant’s obligation to pay monthly Basic Rental during the Pod 4 Portion Beneficial Occupancy Period (if any) shall (x) be calculated based upon the rentable square feet contained in the Pod 4 Portion of the Premises only (i.e., 33,518 rentable square feet) and (y) not commence during the Beneficial Occupancy Period until the later of: (1) July 1, 2021 (as such July 1, 2021 date shall be extended as a result of a Landlord Delay or Uncontrollable Delay pursuant to the express terms of Section 5.6 of the Tenant Work Letter) and (2) the date Tenant commences business from all or any portion of the Pod 4 Portion of the Premises.

With respect to the Pod 5 Portion of the Premises only: January 1, 2022 (the “Pod 5 Portion Commencement Date”). Notwithstanding anything to the contrary contained herein and as further provided in Article 2 below, Tenant shall be able to access and use the Pod 5 Portion of the Premises from and after the Delivery Date and prior to the Pod 5 Portion Commencement Date in connection with the design and construction of the initial Improvements in the Pod 5 Portion of the Premises and for the purpose of Tenant installing furniture and equipment (including telephones, computers and lab equipment) in the Pod 5 portion of the Premises so long as such use does not qualify as commencing business.

Landlord and Tenant agree that for the purpose of this Section 1.A, the following shall not be deemed to cause Tenant to “commence business” in either the Pod 4 Portion or Pod 5 Portion of the Premises: entering the subject space to field verify the condition, take measurements, perform construction of the Improvements or other Alterations or support work directly in connection with the same, using the subject space as temporary office space for Tenant’s Agents (as defined in the Tenant Work Letter) and construction consultants in connection with their work relating to the Improvements, use for loading, unloading, or warehousing of construction materials (to the extent permitted by this Lease) directly related to the Tenant’s construction of the Improvements, and setting up the applicable portion of the Premises for business operations (e.g. installation of cabling, telephone services, internet, etc.).

Expiration Date:

The date immediately preceding the one hundred eightieth (180th) monthly anniversary of the Pod 5 Portion Commencement Date which Expiration Date is estimated to be December 31, 2036; provided, however, that if the Pod 5 Portion Commencement Date is extended as a result of a Landlord Delay or Uncontrollable Delay pursuant to the express terms of Section 5.6 of the Tenant Work Letter, and as result the Pod 5 Portion Commencement Date is a date other than the first (1st) day of a month, then the Expiration Date shall be the last day of the month which is one hundred eighty (180) months after the month in which the Pod 5 Portion Commencement Date falls, unless extended or earlier terminated pursuant to this Lease.
B. Square Footage:

The Project contains a total of 211,940 rentable square feet and the Building contains a total of 138,462 rentable square feet. A total of 88,184 rentable (54,409 usable) square feet comprised of: (i) the Pod 4 Portion containing 33,518 rentable square feet, (ii) the Pod 5 First Floor Portion containing approximately 41,630 rentable square feet, and (iii) the Pod 5 Ground Floor Portion containing 13,036 rentable square feet. In addition to the Premises described above, Tenant shall be entitled to the exclusive use of the existing collaboration area located in the atrium on the first (1st) floor of Pod 4 and Pod 5 and which atrium connects Pod 4 to Pod 5 and contains approximately 4,000 square feet of floor area (“Pod 4/5 Collaboration Area”) at no additional monthly (or recurring) rental or usage fee, it being understood that Tenant is only responsible to pay or reimburse Landlord for the actual, commercially reasonable, out-of-pocket verifiable expenses that Landlord incurs in connection with the Pod 4/5 Collaboration Area directly and solely due to Tenant’s request for specific services (e.g., additional cleaning services to the extent not performed directly by Tenant pursuant to its maintenance obligations hereunder). Neither Tenant nor its employees shall do or permit anything to be done in or about the Pod 4/5 Collaboration Area which would in any way unreasonably obstruct or interfere with the rights of other tenants or occupants of the Project; nor shall Tenant or its employees use or allow the Pod 4/5 Collaboration Area to be used for any immoral, unlawful or objectionable purpose or otherwise for any purpose that is inconsistent with the quality and use of the Project as a first-class commercial laboratory building; nor shall Tenant or its employees cause, maintain or permit any nuisance or offensive sound, smell or light in, on or about the collaboration area that can be experienced outside the Premises. Tenant will be solely responsible for any damage done to the Pod 4/5 Collaboration Area arising out of or in any way pertaining to Tenant’s, or any of the Tenant Parties or invitees use of the Pod 4/5 Collaboration Area. Landlord and its agents shall be not responsible for any loss or theft whatsoever of any property or anything placed or stored by Tenant or its employees in the Pod 4/5 Collaboration Area. Tenant, as a material part of the consideration of this Lease, waives all claims or demands against Landlord for any such loss, damage or injury of Tenant’s property in the Pod 4/5 Collaboration Area. Tenant’s indemnity obligations as set forth in Section 13(a) of this Lease will apply to Tenant’s use, maintenance and activities in the Pod 4/5 Collaboration Area, and for purposes of this Lease, all references to the “Premises” shall include the Pod 4/5 Collaboration Area and any other area in the Building to which Landlord has granted Tenant exclusive use (except with respect to calculating Basic Rental, the Improvement Allowance, and other charges that are calculated based upon the square footage contained within the Premises – it being agreed that the total of 88,184 rentable (54,409 usable) square feet contained in the Premises as set forth above does not and shall not include the floor area within the Pod 4/5 Collaboration Area).
### Pod 4 Portion:

<table>
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* Although Monthly Basic Rental for the Pod 4 Portion of the Premises shall be calculated separately from the Monthly Basic Rental for the Pod 5 Portion of the Premises, Monthly Basic Rental for the entire Premises shall be a single, non-severable obligation. In addition, any Monthly Basic Rental for any partial month will be prorated based upon the number of days of Term occurring in such partial month as set forth in this Lease.

For purposes of this Lease, the term "Lease Year" shall mean: (a) for the first (1st) Lease Year, that period commencing on the Pod 4 Commencement Date and expiring on the date immediately prior to the first (1st) anniversary of the Pod 5 Commencement Date and (b) each consecutive twelve (12) month period thereafter.
D. Reserved:

E. Tenant’s Proportionate Share: 15.8% during the Pod 4 Portion Beneficial Occupancy Date (if any) and otherwise from and after the Pod 4 Commencement Date with respect to the Pod 4 Portion of the Premises only plus to the extent applicable 25.8% during the Pod 5 Portion Beneficial Occupancy Date (if any) and otherwise from and after the Pod 5 Commencement Date with respect to the Pod 5 Portion of the Premises only – for a total of 41.6%.

F. Letter of Credit: A letter of credit shall be delivered by Tenant to Landlord upon Tenant’s execution of this Lease pursuant to the terms and conditions of Article 4.

G. Permitted Use: General office use, laboratory, biomanufacturing, biopharmaceutical research, development and testing, and warehouse use, and ancillary uses of the foregoing and directly related thereto; provided, however, that notwithstanding anything to the contrary set forth hereinabove, and as more particularly set forth in the Lease, Tenant shall be responsible for operating and maintaining the Premises pursuant to, and in no event may Tenant’s Permitted Use violate, (A) all applicable laws, statutes, ordinances, governmental regulations and requirements, (B) all applicable building codes, the Underlying Documents as that term is defined in Section 3(c)(ii) of this Lease, and the current zoning, and (C) the character of the Project as a first-class office and life sciences project. Tenant agrees to obtain and maintain at all times during the Term at Tenant’s sole cost and expense all permits and governmental approvals required or necessary in connection with the Permitted Use including, without limitation, any hazardous materials handling permits, air quality permits in connection with Tenant’s backup diesel-powered or natural gas-powered generator – if any), waste water permit in connection with Tenant’s laboratory uses – copies of which shall be provided to Landlord within thirty (30) days after written request. Landlord agrees that subject to Tenant’s compliance with the terms and conditions of this Lease and the conditions of any permits or approvals maintained or required to be maintained by Tenant hereunder, the Permitted Use itself shall not result in a per se violation of item (C); however, Tenant’s operation of the Premises for the Permitted Use must comply with item (C).


I. Parking Passes: Tenant shall be entitled, at no additional cost during the initial Term, to use Tenant’s Proportionate Share of the two hundred fifty-six (256) unreserved parking passes for the Project, which equals one hundred five (105) passes, upon the terms and conditions provided in Article 23 hereof.

J. Initial Installment of Rent: The first (1st) full month’s Basic Rental of $121,502.75 for the Pod 4 Portion and $198,164.25 for the Pod 5 Portion, shall be due and payable by Tenant to Landlord upon Tenant’s execution of this Lease.

ARTICLE 2
TERM/PREMISES

The Term of this Lease shall commence on (i) the Pod 4 Portion Commencement Date as set forth in Article 1.A. of the Basic Lease Provisions with respect to the Pod 4 Portion of the Premises and (ii) the Pod 5 Portion Commencement Date as set forth in Article 1.A. of the Basic Lease Provisions with respect to the Pod 4 Portion of the Premises and shall end co-terminously.
on the Expiration Date set forth in Article 1.A. of the Basic Lease Provisions. If this Lease is mutually executed and delivered by both Landlord and Tenant prior to January 1, 2021, then upon such execution and delivery of this Lease by Tenant and Landlord, Tenant will have the right to access the entire Premises in order to design and construct the Improvements (as defined in Section 2.1 of the Tenant Work Letter). Such early access shall be subject to all the provisions of this Lease (with specific reference to Tenant’s insurance and indemnity obligations hereunder and Tenant’s obligation to pay separately for electricity and janitorial services (but it being agreed that with respect to janitorial only and other than in connection with Tenant’s obligations to maintain and clean debris from the construction site as required pursuant to Exhibit D during construction of the Improvements – Tenant’s obligations shall commence upon Tenant’s entry into the Pod 4 Portion of the Premises and/or Pod 5 Portion of the Premises) to the Premises as set forth in Article 11) except that Tenant’s obligation to pay monthly Basic Rental and any Direct Costs shall not apply during the period of such early access (other than as set forth in Article 1A. of the Basic Lease Provisions in connection with the Pod 4 Portion Beneficial Occupancy Period (if any). If Landlord does not deliver possession of the Premises to Tenant on or before January 1, 2021, Landlord shall not be subject to any liability for its failure to so do, and such failure shall not affect the validity of this Lease nor the obligations of Tenant hereunder; provided, however, in the event delivery of the Premises in the required condition does not occur by January 1, 2021 (the “Estimated Delivery Date”), as such date may be extended by any delays to the extent caused by Tenant or any of the Tenant Parties, then the sole remedy of Tenant shall be that each of the Pod 4 Portion Commencement Date and Pod 5 Portion Commencement Date shall be extended on a day-for-day basis for each day that delivery of the Premises occurs after the Estimated Delivery Date (as may be so extended). Landlord and Tenant hereby stipulate that the Project, Building, and Premises contain the number of square feet specified in Article 1.B. of the Basic Lease Provisions and agree that the same shall not be subject to remeasurement during the Term of this Lease, unless the physical size of the Project, Building, or Premises changes. Landlord may deliver to Tenant a Commencement Letter in a form substantially similar to that attached hereto as Exhibit “C”, which Tenant shall execute and return to Landlord within five (5) business days of receipt thereof. Failure of Tenant to timely execute and deliver the Commencement Letter shall constitute acknowledgment by Tenant that the statements included in such notice are true and correct, without exception.

ARTICLE 3
RENTAL

(a) Basic Rental. Tenant agrees to pay to Landlord during the Term hereof, at Landlord’s office or to such other person or at such other place as directed from time to time by written notice to Tenant from Landlord, the monthly and annual sums as set forth in Article 1.C. of the Basic Lease Provisions, payable in advance on the first (1st) day of each calendar month, without demand, setoff or deduction, except as otherwise expressly provided in this Lease, and in the event this Lease commences or the date of expiration of this Lease occurs other than on the first (1st) day or last day of a calendar month, the rent for such month shall be prorated. Notwithstanding the foregoing, the first full month’s Basic Rental shall be paid to Landlord in accordance with Article 1.J. of the Basic Lease Provisions and, if the respective Pod 4 Portion Commencement Date and/or Pod 5 Portion Commencement Date, as the case may be, is not the first day of a month, Basic Rental for the partial month commencing as of the respective Commencement Date shall be prorated based upon the actual number of days in such month and shall be due and payable upon the applicable Commencement Date.

(b) Increase in Direct Costs. Except as otherwise expressly provided in Article 1.A with respect to the Pod 4 Portion Beneficial Occupancy Period and/or Pod 5 Portion Beneficial Occupancy Period, as the case may be and if applicable, commencing on the applicable Commencement Date, Tenant shall pay an additional sum for each calendar year equal to the product of the percentage set forth in Article 1.E. of the Basic Lease Provisions multiplied by the amount of “Direct Costs” for such year. In the event the monthly square footage of the Premises and/or the Project is expanded or reduced, then Tenant’s Proportionate Share shall be appropriately adjusted, and as to the calendar year in which such change occurs, Tenant’s Proportionate Share for such calendar year shall be determined on the basis of the number of days during that particular calendar year that such Tenant’s Proportionate Share was in effect. In the event this Lease shall terminate on any date other than the last day of a calendar year, the additional sum payable hereunder by Tenant during the calendar year in which this Lease terminates shall be prorated on the basis of the relationship which the number of days which have elapsed from the commencement of said calendar year to and including said date on which this Lease terminates bears to three hundred sixty five (365). Any and all amounts due and payable by Tenant pursuant
to this Lease (other than Basic Rental) shall be deemed “Additional Rent” and Landlord shall be entitled to exercise the same rights and remedies upon default in these payments as Landlord is entitled to exercise with respect to defaults in monthly Basic Rental payments. Any and all amounts due and payable by Tenant to Landlord shall be in the form of, at Tenant’s election, (i) business checks, (ii) wire transfers, (iii) electronic funds transfers, or (iv) automated clearing house payments. Any other forms of payment are not acceptable to Landlord including, without limitation (1) cash or currency, (2) cashier’s checks and money orders, (3) traveler’s checks, (4) payments from credit unions or other non-bank financial institutions, (5) multiple payments for one (1) scheduled payment, and (6) third party checks.

(c) Definitions. As used herein the term “Direct Costs” shall mean the sum of the following:

(i) “Tax Costs”, which shall mean any and all real estate taxes and other similar charges incurred by Landlord on real property or improvements, assessments, water and sewer charges, and all other charges assessed, reassessed or levied upon the Project and appurtenances thereto and the parking or other facilities thereof, or the real property thereunder (collectively the “Real Property”) or attributable thereto or on the rents, issues, profits or income received or derived therefrom which are assessed, reassessed or levied by the United States, the Commonwealth of Massachusetts or any local government authority or agency or any political subdivision thereof, and shall include Landlord’s reasonable legal fees, costs and disbursements incurred in connection with proceedings for reduction of Tax Costs or any part thereof made in good faith; provided, however, if at any time after the date of this Lease the methods of taxation now prevailing shall be altered so that in lieu of or as a supplement to or a substitute for the whole or any part of any Tax Costs, there shall be assessed, reassessed or levied (a) a tax, assessment, reassessment, levy, imposition or charge wholly or partially as a net income, capital or franchise levy or otherwise on the rents, issues, profits or income derived therefrom, or (b) a tax, assessment, reassessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge measured by or based in whole or in part upon the Real Property and imposed upon Landlord, then except to the extent such items are payable by Tenant under Article 6 below, such taxes, assessments, reassessments or levies or the part thereof so measured or based, shall be deemed to be included in the term “Direct Costs.”

Notwithstanding anything to the contrary contained in this Section 3(c)(i), there shall be excluded from Tax Costs (A) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, capital gains taxes, capital levy, documentary transfer or recordation taxes, inheritance and succession taxes, estate taxes, federal, state, and local income taxes, and other taxes to the extent applicable to Landlord’s general or net income (as opposed to rents or receipts attributable to operations at the Project), (B) any items included as Operating Costs, (C) any items paid by Tenant under Article 6 of this Lease, (D) any late charge or penalties, except to the extent due to Tenant’s failure to timely pay Tenant’s Proportionate Share of Direct Costs, and (E) any increase in taxes due to tenant improvements made by other tenants of the Project or due to the expansion or remodeling of the Project.

(ii) “Operating Costs”, which shall mean all actual, reasonable costs and expenses incurred by Landlord in connection with the maintenance, operation, replacement, ownership and repair of the Project, the equipment used in connection with the Project, the intrabuilding cabling and wiring, the Project common areas and non-exclusive use areas that are generally available for proportionate use in the Project by other tenants and occupants (and with specific reference to Tenant) that Landlord is obligated to repair and maintain (including, without limitation, adjacent walks, malls and landscaped areas), and the Project parking structure, and other areas and facilities of the Project, including but not limited to Amenity (as defined in Article 11). Operating Costs shall include but not be limited to, reasonable and customary salaries, wages, fringe benefits, and employment taxes for all persons who perform duties connected with the operation, maintenance and repair of the Project, its equipment, the intrabuilding cabling and wiring and the adjacent walks and landscaped areas, including janitorial, gardening, security, the cost of parking area operation, repair, restoration, and maintenance, operating engineer, elevator, painting, plumbing, electrical, carpentry, heating, ventilation, air conditioning and window washing; hired services; a reasonable allowance for depreciation of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project; accountant’s fees incurred in the preparation of rent adjustment statements; legal fees; real estate tax consulting fees; personal property taxes on property used in the maintenance and operation of the Project; payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Project, including, without limitation, fees, costs, expenses or dues payable pursuant to the terms of any covenants, conditions or restrictions, reciprocal easement agreements affecting the property, any parking licenses, and
any agreements with transit agencies affecting the Real Property, or owners’ association pertaining to the Project (collectively, “Underlying Documents”); the following capital expenditures only (“Permitted Capital Expenditures”): (i) capital expenditures incurred to reduce Operating Costs which are reasonably and in good faith estimated to result in a reduction in Operating Costs for the relevant year that is greater than the amortized cost of the expenditure for such year, and (ii) capital expenditures required by government regulations, laws, or ordinances including, but not limited to the Americans with Disabilities Act which requirements were not in effect as of the earlier of the Pod 4 Portion Commencement Date and Pod 5 Portion Commencement Date and (iii) costs incurred (capital or otherwise) after the Effective Date of this Lease on a regular recurring basis every five (5) or more years for certain maintenance projects that are generally customary with the operation of life science campus; the cost of all charges for electricity, gas, water and other utilities furnished to the Project (including, without limitation, costs incurred in connection with Landlord’s supplying of “green” or other renewable energy for the Project provided such costs shall be reasonably competitive with the costs of the energy sought to be replaced), and any taxes thereon; the commercially reasonable cost of all charges for fire and extended coverage, liability, pandemic, terrorism, environmental and all other insurance in connection with the Project which may be carried by Landlord, including commercially reasonable deductible amounts not to exceed $1.00 per rentable square foot in the Project except in connection with earthquake and Tier 1 wind coverage (if any) (and provided that any deductible relating to earthquake, wind or pandemic coverage shall be amortized over the useful life of the repair and/or proceeds from same and such amortized amount shall be included in Operating Costs without regard to any “cap”); the cost of all building and cleaning supplies and materials; the cost of all charges for cleaning, maintenance and service contracts and other services with independent contractors; a property management fee equal to three percent (3%) of Annual Basic Rental payable by Tenant under this Lease for the applicable calendar (which fee may be imputed if Landlord has internalized management or otherwise acts as its own property manager) and license, permit and inspection fees relating to the Project (but not related to Landlord’s entity or ownership) and costs of providing to tenants of the Project and their employees (A) first-class amenities (if any) and services (if any); provided, however, that except as otherwise expressly provided in this Lease, the foregoing shall not be deemed to require Landlord to provide any such amenities or services. Permitted Capital Expenditures shall be amortized over their useful life determined in accordance with generally accepted real estate accounting principles, consistently applied and only the amount amortized for the applicable calendar year may be included within Operating Costs. In the event, during any calendar year, the Project is less than ninety-five percent (95%) occupied at all times, those Operating Costs that vary with occupancy shall be equitably adjusted to reflect the Operating Costs of the Project as though ninety-five percent (95%) were occupied at all times, and the increase or decrease in the sums owed hereunder shall be based upon such Operating Costs as so adjusted.

Notwithstanding anything to the contrary contained herein, Operating Costs shall not include (1) the cost of providing any service directly to and paid directly by any tenant (outside of such tenant’s Direct Cost payments) such as where a tenant directly contracts for electric power or other utilities with the local public services company; (2) the cost of any items for which Landlord is reimbursed by insurance proceeds, warranties, guaranties, a tenant of the Project (outside of such tenant’s Direct Cost payments), or otherwise to the extent so reimbursed (it being agreed that to the extent Landlord has the right to reimbursement for such items, Landlord agrees to pursue the same with commercially reasonable diligence); (3) any real estate brokerage commissions or other costs incurred in procuring tenants, or any fee in lieu of commission; (4) ground lease payments (if any) and amortization of principal and interest on mortgages or any other debt instrument; (5) costs of items considered capital expenditures, repairs, replacements, improvements and equipment under generally accepted accounting principles consistently applied except as expressly included in Operating Costs as part of Permitted Capital Expenditures pursuant to the definition above; (6) costs incurred by Landlord due to the violation by Landlord or any tenant or occupant of the terms and conditions of any lease of space in the Project or any law, code, regulation, ordinance or the like; (7) any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord or in the parking facilities of the Project (provided, however, if Landlord commences charges for parking, then this item #7 shall not include such costs associated with the parking facilities of the Project to the extent that Landlord is reimbursed by such fees); (8) costs incurred in connection with upgrading the Project to comply with disability, life, seismic, fire and safety codes, ordinances, statutes, or other laws in effect prior to the earlier of the Pod 4 Portion Commencement Date and the Pod 5 Portion Commencement Date, including, without limitation, the then applicable requirements of the Americans with Disabilities Act (“ADA”), including penalties or damages incurred due to such non-compliance;
(9) interest, principal, points and fees on debts (except in connection with the financing of items which may be included in Operating Costs provided the same is at commercially reasonable rates) or bad debt expenses and losses; (10) marketing costs, including those costs described in (3) above, promotional expenditures, costs of signs in or on the Project identifying the owner of the Project or any tenant of the Project (and on which Tenant is not located), attorneys’ fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, amendments, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Project, including, without limitation, attorneys’ fees and other costs and expenditures incurred in connection with disputes with present or prospective tenants or other occupants of the Project or third parties; (11) costs, including permit, license and inspection costs, incurred with respect to the installation of other tenants’ or occupants’ improvements or decoration of space made for tenants or other occupants in the Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants in the Project, or constructing or finishing demising walls and public corridors with respect to any such space whether such work or alteration is performed for the initial occupancy by such tenant or occupant or thereafter; (12) any costs expressly excluded from Operating Costs elsewhere in this Lease; (13) costs of any items (including, but not limited to, costs incurred by Landlord for the repair of damage to the Project resulting from an event of casualty or condemnation) to the extent Landlord receives reimbursement from insurance proceeds or from a third party (except that any commercially reasonable deductible amount under any insurance policy shall be included within Operating Costs as set forth above); (14) rentals and other related expenses for leasing an HVAC system, elevators, or other items (except when needed in connection with normal repairs and maintenance of the Project) which if purchased, rather than rented, would constitute a capital improvement not included in Operating Costs pursuant to this Lease; (15) depreciation, amortization and interest payments except as expressly permitted in this Article 3 and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party, where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party’s services, all as determined in accordance with generally accepted accounting principles, consistently applied, and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life; (16) expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant of the Project without charge; (17) costs incurred in connection with the operation of retail stores selling merchandise and restaurants in the Project to the extent such costs are in excess of the costs Landlord reasonably estimates would have been incurred had such space been used for general office and/or laboratory, R&D, or warehousing use; (18) costs (including in connection therewith all attorneys’ fees and costs of settlement, judgments and/or payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims litigation or arbitrations pertaining to Landlord and/or the Project; (19) costs associated with the operation of the business or the partnership which constitutes Landlord as the same are distinguished from the costs of operation of the Project; (20) costs incurred in connection with the original construction of the Project; (21) costs of correcting defects in or inadequacy of the initial design or construction of the Project or the Project equipment; (22) costs incurred to (i) comply with laws relating to the removal of any “Hazardous Material,” as that term is defined in Article 28 of this Lease, and/or (ii) remove, remedy, contain, or treat any Hazardous Material, which Hazardous Material is brought onto the Project after the date hereof by Landlord or any other tenant of the Project (other than normal parking lot driveway cleaning and unreimbursed costs in connection with any systems generally available for proportionate use in the Project by other tenants and occupants (and with specific reference to Tenant) which by their nature or design relate to or contain any Hazardous Material such as by way of example the Acid Neutralization Tank, Building Generator, UPS System, and RODI Systems), but it being agreed that Landlord shall only be permitted to pass through such removal, remediation, containment and treatment costs relating to said systems after Landlord uses commercially reasonable efforts to determine which party caused or introduced the Hazardous Material requiring Landlord to expend costs to remove, remedy, contain, or treat the Hazardous Material and was unable to determine the responsible party; (23) wages, salaries, fees and fringe benefits paid to administrative or executive personnel or officers or partners of Landlord or management agent at or above the level of Property manager (provided that the salary and benefits of any employee whose time is divided among the Project and other projects shall be prorated on a fair, equitable, commercially reasonable basis); (24) the cost of any repair made by Landlord because of the total or partial destruction of the Project (other than including commercially reasonable deductible amounts to the extent permitted as set forth}
above) or the condemnation of all or a portion of the Project; (25) the cost of overtime or other expense to Landlord due to a Landlord default hereunder; (26) after hours or overtime HVAC costs or electricity costs if chargeable to other Project tenants or occupants pursuant to the terms of such party’s lease or occupancy agreement; (27) intentionally omitted; (28) any cost representing an amount paid for first class services and/or materials to an entity affiliated with Landlord to the extent such amount materially exceeds the amount that would be paid for such first class services and/or materials at the then existing market rates to non-affiliated entity; (29) costs incurred due to the late payment of taxes, utility bills or other amounts owing, so long as Landlord was obligated to make such payments and did not in good faith dispute the amount of such payments and to the extent that such late payment is not attributable to Tenant’s failure to pay pursuant to its obligations under this Lease; (30) asset management, project management, general overhead and general administrative expenses and accounting, record-keeping and clerical support of Landlord or the management agent, except for the property management fee expressly included within Operating Costs; (31) increases in insurance premiums to the extent that it is ultimately determined that such increase is solely caused by the default of any other tenant of the environmental terms and conditions of its lease; (32) moving expense costs of tenants of the Building; (33) costs of acquisition of sculpture, paintings, or other objects of art; (34) the rent or expenses in lieu of rent for any storage space or other facilities for the benefit of Landlord (except as otherwise expressly permitted herein); (35) costs directly resulting from the gross or active negligence or willful misconduct of Landlord, its employees, agents, or contractors; (36) costs or expenses incurred by Landlord in financing, refinancing, pledging, selling, or otherwise transferring, or encumbering ownership rights in Project or any part thereof; (37) intentionally omitted; and (38) rent for a management office and marketing office occupied by Project management personnel to the extent the size or rental rate of such office exceeds the size or fair market rental value of office space occupied by management personnel of Comparable Buildings in the vicinity of the Project, with adjustment where appropriate for the size of the Project, but in no event more than 2,000 rentable square feet in the aggregate.

In the event there exists a conflict as to an expense which is specified to be included in Operating Costs and is also specified to be excluded from Operating Costs within the above list, the exclusions listed above shall prevail and the expenses shall be deemed excluded. It is understood that Operating Costs shall be reduced by all cash discounts, trade discounts, or quantity discounts received by Landlord or Landlord’s managing agent in the purchase of any goods, utilities, or services in connection with the operation of the Project. Landlord shall make payments for goods, utilities and services in a timely manner. Landlord agrees to keep records of Operating Costs in accordance with a system of accounts and accounting practices consistently maintained on a year-to-year basis for a period of at least three (3) years form the date Landlord submits a Statement to Tenant. To the extent that Landlord determines in commercially reasonable good faith discretion that Tenant uses materially more than Tenant’s Proportionate Share of any item of Operating Costs, Tenant shall pay Landlord for such excess in addition to Tenant’s obligation to pay Tenant’s Proportionate Share of Operating Costs (such excess, “Tenant’s Adjusted Share”). Landlord shall not recover more than one hundred percent (100%) of the Operating Costs actually incurred by Landlord in any year (excluding the management fee).

Commencing on the first (1st) day of the second (2nd) full calendar year during the Term, for purposes of determining Tenant’s Proportionate Share of Operating Costs, the aggregate amount of Controllable Operating Costs (hereinafter defined) included in Operating Costs for any calendar year shall not increase more than ten percent (10%) over the maximum amount of Controllable Operating Costs chargeable for the immediately preceding calendar year, calculated on a cumulative and compounding basis, with no limit on the Controllable Operating Costs for the first (1st) full calendar year of the Term (i.e., the actual Controllable Operating Costs for the first (1st) full calendar year shall be the maximum amount for the such year for purposes of this provision). “Controllable Expenses” shall be defined as all Operating Costs except for the following: premiums for Landlord’s insurance, snow and ice control and removal, security costs, any other tax, governmental or utility fee or governmental or quasi-governmental assessment, costs of repairs and maintenance incurred to comply with laws first applicable to the Project after date Landlord delivers the Premises to Tenant, and electricity, water and other utility costs

(d) Determination of Payment.

(i) Landlord shall give Tenant a yearly expense estimate statement (the “Estimate Statement”) which shall set forth Landlord’s reasonable estimate (the “Estimate”) of what the total amount of Direct Costs for the then-current calendar year shall be and Tenant’s Proportionate Share thereof (including, Tenant’s Adjusted Share, if any). The failure of Landlord
to timely furnish the Estimate Statement for any calendar year shall not preclude Landlord from subsequently enforcing its rights to collect any
Estimated Excess under this Article 3, once such Estimated has been determined by Landlord; however, Landlord shall use reasonable efforts to provide
the Estimate Statement on or before June 30 of the following calendar year. Tenant shall pay, with its next installment of monthly Basic Rental due, a
fraction of the Estimate for the then-current calendar year (reduced by any amounts paid pursuant to the last sentence of this Section 3(d)(i)). Such
fraction shall have as its numerator the number of months which have elapsed in such current calendar year to the month of such payment, both months
inclusive, and shall have twelve (12) as its denominator. Until a new Estimate Statement is furnished, Tenant shall pay monthly, with the monthly Basic
Rental installments, an amount equal to one-twelfth (1/12) of the total Estimate set forth in the previous Estimate Statement delivered by Landlord to
Tenant.

(ii) In addition, Landlord shall give to Tenant as soon as reasonably practicable following the end of each calendar year, a reasonably
detailed statement (the “Statement”) which shall state the Direct Costs incurred or accrued for such preceding calendar year, and which shall indicate
the amount of Tenant’s Proportionate Share thereof (including, Tenant’s Adjusted Share, if any). Landlord shall use reasonable efforts to provide the
Statement within sixty (60) days following the end of the previous calendar year and, if Landlord has not provided the Statement within two hundred
forty (240) days following the end of the previous calendar year, then Tenant may provide Landlord with notice of default, subject to the cure period
specified in Section 19(b) below. Upon receipt of the Statement for each calendar year during the Term, Tenant shall pay, within thirty (30) days after
receipt thereof, the full amount of Tenant’s Proportionate Share of Direct Costs for such calendar year, less the amounts, if any, paid during such
calendar year on an estimated basis. If, however, the Statement indicates that amounts paid by Tenant on an estimated basis are greater than the actual
amount of Tenant’s Proportionate Share of Direct Costs specified on the Statement, such overpayment shall be credited against Tenant’s next
installments of estimated payments. The failure of Landlord to timely furnish the Statement for any calendar year shall not prejudice Landlord from
enforcing its rights under this Article 3. Except as provided herein, Landlord shall be deemed to have waived the right or ability to add to or dispute the
amounts set forth in a Statement after (18) months after the expiration of the calendar year for which the Statement applies, except where the failure to
timely furnish the Statement as to any particular item includable in the Statement is delayed by reason of Landlord’s receipt, for reasons beyond
Landlord’s reasonable control, of the invoice for such cost after the expiration of such eighteen (18) month period (e.g. tax assessments that are late in
arriving from the assessor), in which case such eighteen (18) month limit shall not be applicable to such delayed item. Even though the Term has expired
and Tenant has vacated the Premises, when the final determination is made of Tenant’s Proportionate Share of the Direct Costs for the calendar year in
which this Lease terminates, Tenant shall pay to Landlord an amount as calculated pursuant to the provisions of this Section 3(d) within thirty (30) days
following receipt of the final Statement therefor. The provisions of this Section 3(d)(ii) and Section 5(e) shall survive the expiration or earlier
termination of the Term.

(iii) Reserved.

(iv) Because the Project is a part of a multi-building development, those Direct Costs attributable to such development as a whole (and not
attributable solely to any individual building therein) shall be allocated by Landlord to the Project and to the other buildings within such development on
a fair, equitable, commercially reasonable, and proportionate basis, which shall be described to Tenant, in reasonable detail, promptly after receipt of
Tenant’s written request therefor.

(e) Audit Right. Within one hundred eighty (180) days after receipt of a Statement by Tenant (“Review Period”), if Tenant disputes the amount set
forth in the Statement, Tenant’s employees or an independent certified public accountant (which accountant is a member of a nationally or regionally
recognized accounting firm and is not retained on a contingency fee basis), designated by Tenant, may, after reasonable notice to Landlord (“Review
Notice”) and at reasonable times, inspect Landlord’s records at Landlord’s offices located in the continental United States, provided that Tenant is not
then in default after expiration of all applicable cure periods and provided further that Tenant and such accountant or representative shall, and each of
them shall use their commercially reasonable efforts to cause their respective agents and employees to, maintain all information contained in Landlord’s
records in strict confidence except as required by law or as necessary to enforce Tenant’s rights under this Lease. Notwithstanding the foregoing, Tenant
shall only have the right to review Landlord’s records one (1) time during any twelve (12)
month period. If after such inspection, but within sixty (60) days after the Review Period, Tenant notifies Landlord in writing ("Dispute Notice") that Tenant still disputes such amounts, then Tenant shall provide Landlord with the results of Tenant’s audit and if Landlord and Tenant cannot resolve the dispute within thirty (30) days after Landlord’s receipt of Tenant’s audit results, then a certification as to the proper amount shall be made in accordance with sound commercial real estate accounting practices, at Tenant’s cost (but subject to the further provisions of this Section 3(e), by an independent certified public accountant agreed upon by the parties and who is a member of a nationally or regionally recognized accounting firm. Tenant’s failure to deliver the Review Notice within the Review Period or to deliver the Dispute Notice within sixty (60) days after the Review Period shall be deemed to constitute Tenant’s approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement, except to the extent that any such Statement that contains a knowingly false material misrepresentations shall not be binding and conclusive on Tenant. If Tenant timely delivers the Review Notice and the Dispute Notice, Landlord shall cooperate in good faith with Tenant and the accountant to show Tenant and the accountant the information upon which the certification is to be based. However, if it is ultimately determined that the Direct Costs set forth in the Statement were overstated by five percent (5%) or more, then Landlord shall reimburse Tenant for all the third party out-of-pocket verifiable costs reasonably incurred by Tenant in connection with its audit of the Direct Costs and, if applicable, the cost of the accountant and the cost of such certification shall be paid for by Landlord. Such amounts shall be paid by Landlord within thirty (30) days after such certification. Promptly following the parties’ agreement of the actual amount of Direct Costs and Tenant’s Proportionate Share thereof or upon the conclusion of such certification, the parties shall make such appropriate payments or reimbursements, as the case may be, to each other, as are determined to be owing pursuant to such determination or certification. Tenant agrees that this section shall be the sole method to be used by Tenant to dispute the amount of any Direct Costs payable by Tenant pursuant to the terms of this Lease, and Tenant hereby waives any other rights at law or in equity relating thereto.

(f) Contest of Tax Costs. Provided Tenant does not decrease the rentable square footage leased by Tenant pursuant to this Lease as of the Effective Date and further provided there is no monetary or material non-monetary Event of Default by Tenant hereunder, then Tenant may at any time during the Term, request that Landlord, at Tenant’s sole cost and expense, prosecute a contest of the real property component of Tax Costs (which contest shall be limited to the parcel upon which the Premises is located) and provided that no lien or charge is filed against the Project. In furtherance of the foregoing, within ten (10) business days after Landlord’s receipt of Tenant’s written request therefor and to the extent in Landlord’s possession or control, Landlord will deliver a copy of the then applicable tax bill to Tenant. Upon receipt of written notice from Tenant thereafter (but no later than thirty (30) days after receipt of the applicable tax bill and not less than thirty (30) days prior to the deadline for contesting taxes— with time being of the essence for the giving of such notice), Tenant shall notify Landlord of Tenant’s continuing desire to pursue a reduction of Tax Costs. In such event, Landlord shall within thirty (30) days of Landlord’s receipt of such notice from Tenant requesting such contest, either: (i) elect to commence such contest and all actual costs thereof shall be borne by Tenant (and payable as Additional Rent within thirty (30) days after demand), or (ii) grant Tenant the right to pursue any such Tax Cost contest and reasonably cooperate, at no cost or liability to Landlord, with Tenant in such effort. If Landlord elects clause (ii) above, then the following terms and conditions shall apply collectively, the “Tax Contest Conditions”) to: (aa) such contest shall not be deemed to be a criminal act by Landlord or subject Landlord to a material risk of any fine or penalty; (bb) such contest will not place the Project in material danger of being forfeited or lost; (cc) all Tenant monetary or material non-monetary defaults shall be cured prior to the commencement of any Tax contest, and (dd) such contest shall not cause any liens or other encumbrances to be placed on the Project or any portion thereof. Landlord will appoint Tenant as its agent for the purpose of obtaining information and other data from the County or City assessor and instituting and maintaining any proceeding or contest of Tax Costs. Landlord will not be required to join in any proceeding or contest brought by Tenant, unless the provisions of any law require that the proceeding or contest be brought by or in the name of Landlord or owner of the Premises. Tenant agrees to indemnify and hold Landlord harmless from all costs, expenses and damages of whatsoever nature related to the Project arising out of any such contest made by Tenant. Tenant shall be entitled to any and all refunds of Tax Costs (and penalties and interest) paid by Tenant whether such refund is made during or after the Term (after expenses incurred by Landlord and/or Tenant in connection therewith are paid to the party which incurred such expense). When Tenant concludes Tenant’s contest of any Tax Costs, Tenant shall pay the amount of any costs, interest, penalties, or other liabilities in connection with such Tax Costs, including any increase therein. In any event, Tenant shall at all times during any contest of Tax Costs reasonably inform Landlord of all significant developments in the proceedings as they may occur.

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ARTICLE 4

LETTER OF CREDIT

Concurrently with Tenant’s execution of this Lease, Tenant shall deliver to Landlord an unconditional, irrevocable and renewable letter of credit (“Letter of Credit”) in favor of Landlord substantially in the form attached hereto as Exhibit “E” or otherwise reasonably acceptable to Landlord, issued by a financial institution satisfactory to Landlord, in the principal amount of Two Million Eight Hundred Seventy-Seven Thousand Three and No/100 Dollars ($2,877,003.00) (calculated based on nine (9) months of Basic Rental payable by Tenant for the first year of the initial Term (if no abatement applied) – the “Stated Amount” to be held by Landlord in accordance with the terms, provisions and conditions of this Lease. Landlord hereby approves Silicon Valley Bank as the issuing of the Letter of Credit. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the Letter of Credit. If the Letter of Credit delivered by Tenant is inconsistent with the form attached hereto as Exhibit “E” (including, without limitation, the wrong name or address for the Beneficiary), Landlord may so notify Tenant in writing, in which case Tenant shall cause the Letter of Credit to be corrected within five (5) business days after receipt of such notice. If the issuer of the Letter of Credit is declared to be insolvent by the Federal Deposit Insurance Corporation (or any comparable institution) or becomes a debtor in any case or proceeding under the Bankruptcy Code or any similar law or statute, or ceases to conduct business for any reason, Landlord may so notify Tenant, in which case Tenant shall, within five (5) business days after such notice from Landlord, provide Landlord with a new Letter of Credit which otherwise meets the requirements of this Article 4 issued by a substitute financial institution reasonably satisfactory to Landlord. Landlord shall be entitled to draw upon the Letter of Credit if the credit rating or financial condition of the issuer of the Letter of Credit is no longer reasonably acceptable to Landlord. Following any such draw by Landlord on the Letter of Credit solely because of the deterioration of the creditworthiness of the issuer of the Letter of Credit and provided that there then exists no Event of Default by Tenant hereunder, Landlord will disburse such Letter of Credit proceeds to Tenant within ten (10) business days after Tenant delivers to Landlord a replacement Letter of Credit from a financial institution satisfactory to Landlord in substantially the form attached hereto as Exhibit “E” or otherwise reasonably acceptable to Landlord. Tenant shall pay all of Landlord’s out-of-pocket fees and expenses incurred in connection with such disbursement; provided, however, if any of the foregoing conditions are not satisfied, then Landlord may then use, apply or retain all or any part of the proceeds for the purposes set forth in clauses (1) through (5) of the next paragraph.

The Letter of Credit shall state that an authorized officer or other representative of Landlord may make demand on Landlord’s behalf for the Stated Amount of the Letter of Credit, or any portion thereof, and that the issuing bank must immediately honor such demand, without qualification or satisfaction of any conditions, except the proper identification of the party making such demand. In addition, the Letter of Credit shall indicate that it is transferable in its entirety by Landlord as beneficiary and that upon receiving written notice of transfer, and upon presentation to the issuing bank of the original Letter of Credit, the issuer or confirming bank will reissue the Letter of Credit naming such transferee as the beneficiary. Tenant shall be responsible for the payment to the issuing bank of any transfer costs imposed by the issuing bank in connection with any such transfer, unless such transfer is initiated by Landlord and due solely to Landlord’s convenience or other action of Landlord not caused by Tenant or as a result of Tenant’s acts or omissions. If (A) the term of the Letter of Credit held by Landlord will expire prior to sixty (60) days following the last day of the Lease Term and the Letter of Credit is not extended, or a new Letter of Credit for an extended period of time is not substituted, in either case at least sixty (60) days prior to the expiration of the Letter of Credit, or (B) Tenant commits an Event of Default with respect to any provision of this Lease, or files a voluntary petition under Title 11 of the United States Code (i.e., the Bankruptcy Code), or otherwise becomes a debtor in any case or proceeding under the Bankruptcy Code, as now existing or hereinafter amended, or any similar law or statute, Landlord may (but shall not be required to) draw upon all or any portion of the Letter of Credit solely because of the deterioration of the creditworthiness of the issuer of the Letter of Credit and provided that there then exists no Event of Default by Tenant hereunder, Landlord will disburse such Letter of Credit proceeds to Tenant within ten (10) business days after Tenant delivers to Landlord a replacement Letter of Credit from a financial institution satisfactory to Landlord in substantially the form attached hereto as Exhibit “E” or otherwise reasonably acceptable to Landlord. Tenant shall pay all of Landlord’s out-of-pocket fees and expenses incurred in connection with such disbursement; provided, however, if any of the foregoing conditions are not satisfied, then Landlord may then use, apply or retain all or any part of the proceeds for the purposes set forth in clauses (1) through (5) of the next paragraph.

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proceeds are so used or applied, Tenant shall, within ten (10) days after written demand therefor, post a replacement or additional Letter of Credit in an amount to cause the aggregate amount of the unused proceeds and such new Letter of Credit to equal the Stated Amount required in this Article 4 above. If Tenant delivers a replacement Letter of Credit to Landlord, Landlord shall return the previous Letter of Credit to Tenant within ten (10) business days after receipt thereof. Landlord shall not be required to keep any proceeds from the Letter of Credit separate from its general funds. Should Landlord sell its interest in the Premises during the Lease Term and if Landlord deposits with the purchaser thereof the Letter of Credit or any proceeds of the Letter of Credit, thereupon Landlord shall be discharged from any further liability with respect to the Letter of Credit and said proceeds and Tenant shall look solely to such transferee for the return of the Letter of Credit or any proceeds therefrom. The Letter of Credit or any remaining proceeds of the Letter of Credit held by Landlord after expiration of the Lease Term, after any deductions described in this Article 4 above, shall be returned to Tenant or, at Landlord’s option, to the last assignee of Tenant’s interest hereunder, within forty-five (45) days following the expiration of the Lease Term.

The use, application or retention of the Letter of Credit, the proceeds or any portion thereof, shall not prevent Landlord from exercising any other rights or remedies provided under this Lease, it being intended that Landlord shall not be required to proceed against the Letter of Credit, and such use, application or retention of the Letter of Credit shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. No trust relationship is created herein between Landlord and Tenant with respect to the Letter of Credit.

Landlord and Tenant (A) acknowledge and agree that the Letter of Credit is not intended to serve as a security deposit and any and all other laws, rules and regulations applicable to security deposits in the commercial context (“Security Deposit Laws”) shall have no applicability or relevancy thereto, and (B) hereby waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws.

As set forth above The Stated Amount shall initially be Two Million Eight Hundred Seventy-Seven Thousand Three and No/100 Dollars ($2,877,003.00) (calculated based on nine (9) months of Basic Rental payable by Tenant for the first year of the initial Term (if no abatement applied); provided, however, that, except as hereinafter provided, upon the third (3rd) anniversary of the Pod 5 Portion Commencement Date (the “Adjustment Date”), the Stated Amount shall be reduced to One Million Nine Hundred Eighteen and No/100 Dollars ($1,918,003.00) (calculated based on six (6) months of Basic Rental payable by Tenant for the first year of the initial Term (if no abatement applied). However, if (i) an Event of Default by Tenant occurs under this Lease, or (ii) circumstances exist that would, with notice or lapse of time, or both, constitute an Event of Default by Tenant, and Tenant has failed to cure such default or circumstances within the time period permitted by Article 19 or such lesser time as may remain before the Adjustment Date as provided above, the Stated Amount shall not thereafter be reduced unless and until such default or circumstances shall have been fully cured pursuant to the terms of this Lease, at which time the Stated Amount may be reduced as hereinabove described. The reduction of the Stated Amount of the Letter of Credit shall be effectuated by Tenant replacing the Letter of Credit then being held by Landlord with a new Letter of Credit (meeting all of the requirements of this Article 4) in the Stated Amount then required to be maintained with Landlord pursuant to the foregoing provisions (or amending the then existing Letter of Credit to the Stated Amount then required to be maintained with Landlord pursuant to the foregoing provisions) on the Reduction Date, as applicable. In the event that Tenant provides a replacement Letter of Credit, Landlord shall return the original Letter of Credit to Tenant within ten (10) business days following Landlord’s receipt of the replacement Letter of Credit (or, if requested by Tenant, arrange for a simultaneous swap of the original and replacement Letter of Credit in person at the management office located in the Project). To the extent Tenant desires to reduce the Letter of Credit as set forth above by means of an amendment to the then existing Letter of Credit, Landlord shall at no cost to Landlord provide reasonable cooperation with Tenant and sign such commercially reasonable certificates reasonably required by the issuer of the Letter of Credit and reasonably acceptable to Landlord and in connection therewith, Tenant shall pay as additional rent with ten (10) business days after demand, all of Landlord’s out-of-pocket fees and expenses incurred in connection with the same.

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ARTICLE 5
HOLDING OVER

Should Tenant (or any subtenant, assignee or other party occupying the Premises by, through, under, or with the permission of Tenant), without Landlord’s written consent, hold over after termination of this Lease, Tenant shall, at Landlord’s option, become either a tenant at sufferance or a month-to-month tenant upon each and all of the terms herein provided as may be applicable to such a tenancy and any such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay in advance, monthly, Basic Rental at a rate equal to one and one-half (1.50) times the rate in effect for the last month of the Term of this Lease, in addition to, and not in lieu of, all other payments required to be made by Tenant hereunder including but not limited to Tenant’s Proportionate Share of any Direct Costs. Nothing contained in this Article 5 shall be construed as consent by Landlord to any holding over of the Premises by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or earlier termination of the Term. If Landlord provides Tenant with at least thirty (30) days prior written notice that Landlord has a signed proposal or lease from a succeeding tenant to lease the Premises, and if Tenant fails to surrender the Premises upon the later of (i) the date of expiration of such thirty (30) day period, or (ii) the expiration or termination of this Lease, Tenant agrees to indemnify, defend and hold Landlord harmless from and against all costs, loss, expense or liability, including without limitation, claims made by any succeeding tenant and real estate brokers claims and attorney’s fees and costs.

ARTICLE 6
OTHER TAXES

Tenant shall pay, prior to delinquency, all taxes assessed against or levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant located in the Premises. In the event any or all of Tenant’s trade fixtures, furnishings, equipment and other personal property shall be assessed and taxed with property of Landlord, or if the cost or value of any leasehold improvements in the Premises exceeds the cost or value of a Project-standard buildout as determined by Landlord in its commercially reasonable discretion, and as a result, real property taxes for the Project are increased, Tenant shall pay to Landlord, within thirty (30) days after delivery to Tenant by Landlord of a written statement setting forth such amount, the amount of such taxes applicable to Tenant’s property or above-standard improvements. Tenant shall assume and pay to Landlord at the time Basic Rental next becomes due (or if assessed after the expiration of the Term, then within thirty (30) days), any excise, sales, use, rent, occupancy, gross receipts or other taxes (other than net income taxes or any items expressly excluded from the definition of Tax Costs as set forth in Article 3 above) which may be assessed against or levied upon Landlord on account of the letting of the Premises or the payment of Basic Rental or any other sums due or payable by Tenant hereunder, and which Landlord may be required to pay or collect under any law now in effect or hereafter enacted. In addition to Tenant’s obligation pursuant to the immediately preceding sentence, Tenant shall pay directly to the party or entity entitled thereto all business license fees, gross receipts taxes and similar taxes and impositions which may from time to time be assessed against or levied upon Tenant, as and when the same become due and before delinquency. Notwithstanding anything to the contrary contained herein, any sums payable by Tenant under this Article 6 or by any other tenant in the Project pursuant to a similar provision in such tenant’s lease shall not be included in the computation of “Tax Costs”.

ARTICLE 7
USE

(a) Use. Tenant shall use and occupy the Premises only for the use set forth in Article 1.G. of the Basic Lease Provisions and shall not use or occupy the Premises or permit the same to be used or occupied for any other purpose without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed, and Tenant agrees that it will use the Premises in such a manner so as not to unreasonably interfere with or infringe upon the rights of other tenants or occupants in the Project. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances, governmental regulations or requirements (including, without limitation all Laws as defined in Section 28(e) below and any laws which may require Tenant to temporarily cease operations or prohibit or reduce Tenant’s use of the Premises) now in force or which may hereafter be in force relating to or affecting (i) the condition, use or occupancy of the Premises or the Project, and (ii) improvements, trade fixtures and equipment installed or constructed in the Premises by or for the benefit of Tenant. Tenant hereby agrees and acknowledges that the manufacture, cultivation, sale, use, trade or possession of any drugs or other substance in violation of the laws of the United States of America in the Premises shall be a material breach of this Lease (without any applicable notice and cure period) notwithstanding that any laws of the Commonwealth of Massachusetts permit the manufacture, cultivation, sale, use, trade or possession of such drugs or other substances for recreational or medicinal purposes,
including without limitation, cannabis, cannabinoids or any derivations thereof. Tenant shall not permit more than six (6) people per one thousand (1,000) rentable square feet of the Premises to occupy the Premises at any time. Tenant shall comply with, and Tenant’s rights and obligations under this Lease and Tenant’s use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, restrictions and other Underlying Documents now or hereafter affecting the Project. Landlord represents and warrants that subject to Tenant’s compliance with the terms and conditions of this Lease and the conditions of any permits or approvals maintained or required to be maintained by Tenant hereunder neither the Underlying Documents, nor any other documents recorded against the Landlord Project and to which Landlord is a party will prohibit Tenant’s use of the Premises for the Permitted Use under this Lease and that Landlord will not seek to amend the same in any manner that would materially and adversely affect Tenant’s rights, remedies, costs, or expenses under this Lease (it being agreed that if such Underlying Documents are so amended, then Tenant shall not be bound by the terms of such amendment to the extent of any such material and adverse effect). Tenant shall not do or permit to be done anything which would invalidate or increase the cost of any insurance policy covering the Project and/or the property located therein and Tenant shall comply with all rules, orders, regulations and requirements of any organization which sets out standards, requirements or recommendations commonly referred to by major fire insurance underwriters, and Tenant shall within ten (10) business days following receipt of written demand reimburse Landlord for any additional premium charges for any such insurance policy assessed or increased by reason of Tenant’s use of the Premises or failure to comply with the provisions of this Article 7. Tenant shall comply with Landlord’s reasonable sustainability practices applicable to the Project provided that Tenant received notice of the same.

(i) Landlord represents that Landlord has taken or shall as part of Landlord’s obligations set forth in Section 9(a) take the necessary steps to comply with (and to the extent of Landlord’s obligations expressly set forth in this Lease, will continue to comply with during the Term of this Lease) all current requirements of laws, rules, codes, regulations and ordinances applicable to the common areas of Project, including without limitation, the ADA in effect as of the date of this Lease as it pertains to the Project (other than in connection with the Improvements constructed by Tenant pursuant to the Tenant Work Letter – which shall be the sole responsibility of Tenant). Operating Costs shall not include any cost incurred by Landlord in connection with upgrading, repairing, or replacing the common areas of the Project to comply with the current requirements of laws, rules, regulations and ordinances, including without limitation, the ADA that are in effect as of the date of the earlier of the Pod 4 Portion Commencement Date or Pod 5 Portion Commencement Date of this Lease, as the case may be, including penalties or damages incurred due to such noncompliance. Notwithstanding anything herein to the contrary, Tenant shall not be required to make any structural changes to the Premises or any other part of the Project except to the extent such changes are required as a direct result of Tenant’s specific use, the Improvements or any subsequent Alterations of the Premises and Tenant’s obligations under this Article 7 shall specifically exclude any compliance with applicable laws, codes, rules, regulations, statutes, or orders which are triggered by alterations and improvements to the Premises, Building or Project made by Landlord other than in connection with the Improvements and Base Building Improvements.

(b) Odors and Ventilation. Tenant shall not cause or permit any release of any odors or fumes of any kind from the Premises. If the Project 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 Real Property, Tenant shall vent the Premises through such system. If Landlord at any time determines, in its good faith discretion, 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 prior written approval, such approval not to be unreasonably withheld, conditioned, or delayed except in connection with a Design Problem (as defined in Section 3.3 of the Tenant Work Letter below) (in which event Landlord may withhold its approval in its sole but good faith discretion). Tenant acknowledges Landlord’s legitimate desire to maintain the Project (indoor and outdoor areas) in an odor-free manner, and Landlord may require Tenant to abate and remove all odors caused by or attributable to Tenant and/or the Tenant Parties in a reasonable manner consistent with the requirements of applicable laws and otherwise to ensure that such odors do not emanate from the Premises in a manner that is offensive to other tenants and occupants of the Project. 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) as required to remove, eliminate and abate any odors, fumes or other substances in Tenant’s exhaust stream. If Tenant fails to install satisfactory odor control equipment within thirty (30) days after Landlord’s demand made at any time (as such time may be extended on a day-for-day basis if Tenant is actually delayed for reasons attributable to Force Majeure), 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 or Landlord may take such measures as Landlord deems necessary to abate such odors, fumes or exhaust, and Tenant shall pay all actual, out of pocket and verifiable costs incurred by Landlord in connection with such remedial measures, within ten (10) business days after receipt of written demand therefor as Additional Rent.

(c) **Transportation Programs.** Tenant shall fully comply with all present or future governmentally mandated and/or non-voluntary programs intended to manage parking, transportation or traffic in and around the Project, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

(d) To the extent required by applicable laws, government regulations or any conditions of permits or governmental approvals relating to Tenant’s use of the Premises or the Project, Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with the requirements of the Greater Lawrence Sanitary Authority (“GLSA”) and the Massachusetts Water Resources Authority (“MWRA”) and any other applicable governmental authority. Tenant shall be solely responsible for all costs incurred in connection with such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant’s compliance with the requirements of (a) the GLSA, the MWRA and any other applicable governmental authority with respect to such chemical safety program and (b) this Section 7(d). Notwithstanding the foregoing, Landlord shall obtain and maintain during the Term (m) any permit required by the GLSA and the MWRA (“GLSA/MWRA Permits”) and (n) a wastewater treatment operator license from the Commonwealth of Massachusetts with respect to Tenant’s use of the Acid Neutralization Tank (as defined in Section 11(a)(vii) below) in the Building, and Tenant shall reimburse Landlord within ten (10) business days after demand for any actual, out of pocket and verifiable costs incurred by Landlord pursuant to this sentence. Tenant shall not introduce anything into the Acid Neutralization Tank (x) in violation of the terms of the GLSA/MWRA Permits, (y) in violation of applicable laws or (z) that would interfere with the proper functioning of the Acid Neutralization Tank. Tenant agrees to reasonably cooperate with Landlord in order to obtain the GLSA/MWRA Permits and the wastewater treatment operator license.

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**ARTICLE 8**

**CONDITION OF PREMISES**

Tenant hereby agrees that except as provided in Section 1 of the Tenant Work Letter, Article 7 above, and as otherwise expressly provided in this Lease, the Premises shall be taken “as is”, “with all faults”, “without any representations or warranties”, and Tenant hereby agrees and warrants that it has investigated and inspected the condition of the Premises and the suitability of same for Tenant’s purposes, and Tenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the Project or the suitability of same for Tenant’s purposes. Except as expressly provided in this Lease, Tenant acknowledges that neither Landlord nor any agent nor any employee of Landlord has made any representations or warranty with respect to the Premises or the Project or with respect to the suitability of either for the conduct of Tenant’s business and Tenant expressly warrants and represents that Tenant has relied solely on its own investigation and inspection of the Premises and the Project in its decision to enter into this Lease and let the Premises in the above-described condition. Nothing contained herein is intended to, nor shall, obligate Landlord to implement sustainability practices for the Project or to seek certification under, or make modifications in order to obtain, a certification from LEED or any other comparable certification. The Premises shall be initially improved as provided in, and subject to, the Tenant Work Letter attached hereto as Exhibit “D” and made a part hereof. The existing leasehold improvements in the Premises as of the date of this Lease, together with the Improvements (as defined in the Tenant Work Letter) may be collectively referred to herein as the “Tenant Improvements.” The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Project were at such time in satisfactory condition, subject to...
Landlord’s obligations (a) expressly set forth in the Tenant Work Letter, (b) to correct any latent defects as set forth in Section 30(bb) below, and (c) to make repairs to the Project as set forth in Section 9(a) below. Tenant hereby waives any provision of law which would otherwise permit Tenant to make repairs required of Landlord under this Lease.

ARTICLE 9
REPAIRS AND ALTERATIONS

(a) Landlord’s Obligations. Landlord shall repair and maintain in a condition consistent with Comparable Buildings (as hereinafter defined), (i) the structural portions of the Project (which includes the Premises), including, without limitation, the structural foundation, floor/ceiling slabs (excluding architectural slabs), roof, curtain wall, exterior glass, columns, beams, shafts, stairs, stairwells, elevator cabs and common areas, (ii) all Project systems, including, without limitation, the mechanical, electrical, life safety, plumbing, sprinkler systems and heating, ventilating and air-conditioning systems listed on Exhibit A-1 attached hereto and made a part hereof (provided, however, that Landlord’s obligation with respect to any such systems shall be to repair, maintain, and (to the extent reasonably determined by Landlord be necessary), replace those portions of the systems located in the core of the Project or in other areas outside of the Premises up to the point of entry or first isolation valve or switch that serves the aforementioned equipment), but Tenant shall be responsible to repair and maintain any distribution of such systems throughout the Premises), the Building Generator, UPS System, and Acid Neutralization Tank (but specifically excluding any Specialized Systems and decorative treatments installed by or on behalf Tenant– all of which shall be Tenant’s responsibility as part of Tenant's obligations set forth in Section 9(b) below, and (iii) all common areas of the Project (and excluding any area(s) in the Project to which Landlord has granted Tenant exclusive use). By way of clarification, Tenant and Landlord hereby agree that as of the date hereof, there are two (2) air handlers that exclusively service the Pod 4 Portion of the Premises (designated as AHU 3A/3B) and one (1) air handler and humidification unit that exclusively services the Pod 5 Portion of the Premises (designated as AHU 5) and that Tenant as part of its obligations set forth in Section 9(b) below shall be obligated to maintain, repair and replace the foregoing systems from their physical location in the equipment penthouse portion of the Project up to the point of entry or first isolation valve or switch that serves the aforementioned equipment and Landlord shall be obligated to maintain, repair and replace the cooling tower systems located on the roof of the Project and the boiler located in the basement of the Project up to the point of entry in the equipment penthouse portion of the Project as part of Landlord’s obligations set forth in this Section 9(a).

(b) Tenant’s Obligations. Except as expressly provided as Landlord’s obligation in this Article 9, and in addition to Tenant’s obligations in Article 11 below, Tenant shall keep the Premises and every part thereof (including, without limitation, any of the initial Improvements and/or Alterations therein and any Specialized Systems installed by or on behalf of Tenant) in good condition and repair and in compliance with Landlord’s commercially reasonable sustainability practices applicable to the Project provided that Tenant has receipt of prior written notice of such practices and further provided that Tenant shall not be required to comply with any additions or revisions to the sustainability practices existing as of the date hereof if compliance with the same shall materially increase Tenant’s expenses or materially and adversely affect Tenant’s use of the Premises or its business operations therein for the Permitted Use. Tenant’s obligations shall include without limitation, maintenance, repair and replacement (to the extent expressly provided herein) of each of the following:

(i) HVAC System

(A) Tenant shall be responsible, at Tenant’s sole cost and expense, for the repair and maintenance and replacement (but subject to Section 9(b)(i)(D) below) of the HVAC system(s) exclusively serving the Premises (“HVAC System”, if more than one exclusive system, each and collectively shall be referred to as HVAC System) and those items described in the last grammatical sentence of Section 9(a) above. Tenant shall retain a service and maintenance contract for such HVAC System with a contractor designated or reasonably approved by Landlord.

(B) Notwithstanding anything to the contrary contained in this Lease, if Tenant shall fail, after ten (10) business days’ written notice (which notice will specify the failure claimed), to (a) hire the contractors (or cause such contractors to perform the inspections and maintenance) required under this Section 9(b) above or (b) perform any maintenance or to make, or to commence and thereafter to proceed with diligence to make, any repair required of it with respect to the Premises pursuant to the terms of this Lease, then Landlord may elect (and without
thereby waiving any default by Tenant) at any time upon written notice to Tenant to perform the necessary repair, maintenance and replacement and Tenant shall pay the actual, reasonable cost of the service and maintenance contract(s) for the Premises, as well as for the actual reasonable costs of repair and replacement thereof as necessary, as Additional Rent, within ten (10) business days of receipt of billings therefor from Landlord.

(C) Reserved.

(D) Notwithstanding the foregoing, if Tenant is required to replace the HVAC System during the last forty-two (42) months of the initial Term (or then applicable Option Period, as the case may be) and further provided that (i) Tenant has maintained the required HVAC preventative maintenance contract (and provides reasonable evidence of the same to Landlord), (ii) the need for such replacement is not triggered by the negligence of Tenant, its agents, employees or contractors (in which case Tenant shall be solely responsible for the same), then, subject to the requirements set forth further in this Section 9(b)(D) and (iii) any HVAC unit exclusively serving the Premises cannot be repaired at a cost that is less than fifty percent (50%) of the cost to replace such unit (as reasonably determined by Landlord and Tenant), then subject to the requirements set forth further in this Section 9(b)(D), Landlord will reimburse Tenant for Landlord’s prorata share thereof within sixty (60) days following the expiration or sooner termination of this Lease; provided, however, Landlord will have no such reimbursement obligation if this Lease terminates as a result of an Event of Default by Tenant. Landlord’s prorata share of such expenditure shall be a fraction, the numerator of which is the number of months remaining on the useful life of the replacement HVAC after the expiration or sooner termination of this Lease and the denominator of which is the total number of months of the useful life of the replacement HVAC. As a condition precedent to Landlord’s obligation to reimburse Tenant for a prorata share of any such expenditure, Tenant shall first obtain Landlord’s prior written approval of the contractor, the plans and specifications, the amount of any such expenditure and the useful life resulting from such expenditure, which approval shall not be unreasonably withheld, conditioned or delayed. Upon such approval, either party shall, at the other party’s request, enter into an amendment of this Lease identifying the amount subject to reimbursement by Landlord. For purposes of clarity, Landlord agrees that to the extent Tenant and Landlord mutually and reasonably determine and agree that the HVAC unit required to be replaced as set forth above is not necessary for Tenant’s Permitted Use and/or otherwise to maintain the temperature in the Premises at a level consistent with those maintained in other premises located in the Project and otherwise in premises located in Comparable Buildings, then Tenant upon written notice to Landlord reasonably detailing the reasons for such determination, may elect to not replace the specific HVAC unit and in such event Landlord’s reimbursement/contribution obligation as set forth herein shall not apply.

(ii) **Specialized Systems.** Tenant’s maintenance obligations hereunder shall include, without limitation, maintenance and repair of all specialized systems installed by or on behalf of Tenant to serve the Premises such as deionized water systems, water purification, compressed gas distribution, vacuum pumps and air compressors and associated fume hoods and other equipment (collectively, “**Specialized Systems**”). All Specialized Systems shall be maintained, repaired and replaced (to the extent determined by Tenant to be necessary) by Tenant (aa) in a commercially reasonable condition consistent with prevailing industry practices, (bb) in accordance with any applicable manufacturer specifications relating to any particular component of such Specialized Systems, (cc) in accordance with applicable laws, statutes, ordinances, governmental regulations or requirements now in force or which may hereafter be in force. Tenant shall contract with qualified, experienced professional third-party service companies (collectively, “**Service Contracts**”) which will provide for routine maintenance of the Specialized Systems per the generally accepted maintenance schedule for the specific system and otherwise in manner and with frequency that is consistent with industry standard best practices. Tenant shall regularly, in accordance with commercially reasonable standards, generate and maintain preventative maintenance records relating to each Specialized System (collectively, “**Preventative Maintenance Records**”). Upon Landlord’s request, Tenant shall deliver a copy of all current Service Contracts to Landlord and/or a copy of the Preventative Maintenance Records.

(iii) **Tenant’s Additional Obligations.** Subject to the waivers of subrogation set forth below in Section 14(d), all damage or injury to the Premises resulting from the act or negligence of Tenant, its employees, agents or visitors, guests, invitees or licensees, shall be promptly repaired by Tenant at its sole cost and expense, to the reasonable satisfaction of Landlord and Tenant shall likewise be solely responsible for the cost of repairing all damage or injury to the Premises resulting from the act or negligence of Tenant, its employees or agents or by the use of
the Premises as a direct charge); provided, however, that for damage to the Project outside the Premises or otherwise as a result of casualty or for any repairs that may impact the mechanical, electrical, plumbing, heating, ventilation or air-conditioning systems of the Project, Landlord shall have the right (but not the obligation) to select the contractor and oversee all such repairs. Landlord may make any repairs which are not promptly commenced by Tenant after Tenant’s receipt of written notice and the reasonable opportunity of Tenant to commence said repair within five (5) business days from receipt of said written notice and thereafter to diligently and continuously pursue the same to completion, and charge Tenant for the actual, out of pocket verifiable cost thereof, which cost shall be paid by Tenant within ten (10) business days from receipt of invoice from Landlord. Tenant shall be responsible for the design and function of all non-standard improvements of the Premises, installed by or on behalf of Tenant. Tenant waives all rights to make repairs at the expense of Landlord, or to deduct the cost thereof from the rent, except as otherwise expressly provided in this Lease.

(c) **Alterations.** Tenant shall make no alterations, installations, changes or additions in or to the Premises or the Project (collectively, “Alterations”) without Landlord’s prior written consent, which shall not be unreasonably withheld, conditioned, or delayed except in connection with a Design Problem (in which event Landlord may withhold its approval in its sole but good faith discretion). Any Alterations approved by Landlord must be performed in accordance with the terms hereof, using only contractors or mechanics approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed, and who are licensed and qualified to perform work in first-class institutional quality life science office and lab buildings. Landlord must approve in writing any detailed and dimensioned plans and specifications pertaining to the Alterations in question, to be prepared and submitted by Tenant at its sole cost and expense. Landlord shall provide written notice to Tenant of Landlord’s approval or disapproval of such general contractor and Alterations within ten (10) business days of Tenant’s request therefor (and if disapproved Landlord shall specify in detail the reasons for such disapproval), and failure of Landlord to provide such written approval or disapproval within ten (10) business days of Tenant’s request shall constitute Landlord’s approval. Tenant shall at its sole cost and expense obtain all necessary approvals and permits pertaining to any Alterations approved by Landlord. Tenant shall cause all Alterations to be performed in a good and workmanlike manner, in conformance with all applicable federal, state, county and municipal laws, rules and regulations, pursuant to a valid building permit, and in conformance with Landlord’s reasonable construction rules and regulations. If Landlord, in approving any Alterations, reasonably specifies a commencement date therefor, Tenant shall not commence any work with respect to such Alterations prior to such date. Notwithstanding anything to the contrary contained herein, Tenant may make Alterations within the Premises (the “Non-Consent Alterations”) without Landlord’s consent as to the Alterations or the contractor performing same, the aggregate cost of any such Alterations does not exceed $500,000 for any single project and further provided that such Alterations do not (i) require any structural modifications to the Premises, (ii) materially and adversely affect the systems and equipment of the Project or the common areas on floors not fully occupied by Tenant, and (iii) affect the exterior appearance of the Project. Tenant shall give Landlord at least ten (10) business days prior notice of any Non-Consent Alterations which require a building permit or which could adversely impact the use of the common areas or the use and enjoyment of other space in the Project, which notice shall be accompanied by reasonably adequate evidence that such changes meet the criteria contained in this Section 9(c). Tenant hereby agrees to indemnify, defend, and hold Landlord free and harmless from all liens and claims of lien, and all other liability, claims and demands arising out of any work done or material supplied to the Premises by or at the request of Tenant in connection with any Alterations.

(d) **Insurance; Liens.** Prior to the commencement of any Alterations, Tenant shall provide Landlord with evidence that Tenant or its general contractor carries “Builder’s All Risk” insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood that all such Alterations shall be insured by Tenant pursuant to Article 14 of this Lease immediately upon completion thereof. In addition, if the cost of Alterations exceed $500,000, then Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien free completion of such Alterations and it being agreed that the requirements of this grammatical sentence shall not apply to Tenant’s construction of the initial Improvements.
(e) Costs and Fees; Removal. If permitted Alterations are made, they shall be made at Tenant’s sole cost and expense and, except as otherwise expressly provided in this Lease, shall remain on or about the Premises and become the property of Landlord upon the termination or expiration of this Lease, except that Landlord may, pursuant subject to the terms, conditions, and limitations of Section 29(d), by (i) written notice to Tenant given at the time of Landlord’s approval to such Alteration that is a Specialty Improvement (as hereinafter defined) or (ii) in the case of Non-Consent Alterations, by written notice to Tenant within ten (10) business days after Landlord’s receipt of Tenant’s notice of such Non-Consent Alterations, require Tenant at Tenant’s expense to remove such Improvements and other Alterations from the Premises, and to repair any damage to the Premises and the Project caused by such removal. Any and all costs attributable to or related to the applicable building codes of the city in which the Project is located or (any other authority having jurisdiction over the Project) arising from Tenant’s plans, specifications, improvements, Alterations or other work by Tenant shall be paid by Tenant at its sole cost and expense. With regard to Alterations or any other work arising from or related to this Article 9 (but expressly excluding the construction of the initial Improvements which shall be governed by the Terms of the Tenant Work Letter), Landlord shall be entitled to receive an administrative/coordination fee in the amount of 3% of the hard cost of such work; provided, however, there shall be no administrative/coordination fee charged in connection with Non-Consent Alterations. The construction of initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 9, except as expressly provided in the first sentence of this Section 9(e) and in Section 9(f), (g), and (h) below.

(f) Security System. Tenant shall be entitled to install, at Tenant’s sole cost and expense, a separate security system for the Premises as an Alteration or as a part of the Improvements; provided, however, that the plans and specifications for any such system shall be subject to Landlord’s approval, such approval not to be unreasonably withheld, conditioned, or delayed, and any such system must be compatible with the existing systems of the Project. Subject to Landlord’s reasonable security requirements and otherwise to the extent reasonably practicable (it being agreed that in no event shall Landlord be required to incur any costs in connection with upgrades to the system to accommodate Tenant’s request) and at no cost to Landlord or any other tenant in the Premises (unless Tenant agrees to pay for the same and actually does so pay), Landlord will cooperate with Tenant in any tie Tenant’s security system into the Building security system, such that only one access card or device is required to access both the Building and the Premises. Tenant’s obligation to indemnify, defend and hold Landlord harmless as provided in, and subject to, Section 13(a) below shall also apply to Tenant’s use and operation of any such system (except to the extent caused by the negligence or willful misconduct of Landlord, its agents, employees, or contractors – but in each such case, subject to the waivers described in Section 14(d) below), and the installation of such system shall otherwise be subject to the terms and conditions of this Article 9 (or the Tenant Work Letter if part of the initial Tenant Improvements). Tenant’s removal and restoration obligations shall be deemed in accordance with those applicable to Alterations set forth in Section 9(e) above. Tenant shall at all times provide Landlord with a contact person who can disarm the security system and who is familiar with the functions of the system in the event of a malfunction, Tenant shall provide Landlord with the codes or other necessary information required to disarm the system in the event Landlord must enter the Premises. Landlord agrees that Landlord’s use and storage of the codes or other information required to disarm Tenant’s security system shall be subject to Tenant’s reasonable security requirements and protocols.

(g) Supplemental HVAC Units. Tenant shall be entitled to install, as an initial Tenant Improvement, dedicated heating, ventilation and air conditioning units (“Supplemental Units”) within the Premises at Tenant’s sole cost and expense. The plans and specifications for any Supplemental Units shall, as indicated in the Tenant Work Letter, be subject to Landlord’s approval, such approval not to be unreasonably withheld, conditioned, or delayed. If Tenant elects to install Supplemental Units within the Premises, Tenant shall also install, at Tenant’s sole cost and expense, submeters, in order to measure the amount of electricity furnished to such units and Tenant shall be responsible for Landlord’s actual cost of supplying electricity to such units as reflected by such submeters, which amounts shall be payable on a monthly basis as Additional Rent. Tenant shall be solely responsible for maintenance and repair of the Supplemental Units and such units shall, at Landlord’s option, be considered to be a fixture within the Premises and shall remain upon the Premises upon the expiration or earlier termination of the Lease Term or any applicable Option Term.

(h) Backup Generator. Subject to Landlord’s prior written approval of all plans and specifications, which approval shall not be unreasonably withheld, conditioned, or delayed, and Tenant’s receipt of any applicable governmental permits and approvals, Landlord shall permit Tenant to install and maintain, at Tenant’s sole cost and expense, a backup diesel-powered or natural gas-powered generator at a location designated by Landlord and reasonably acceptable to Tenant. If Tenant elects to install a natural gas-powered generator, Tenant shall be entitled to
connect the generator to the natural gas service located in a location reasonably designated by Landlord and reasonably acceptable to Tenant. All natural gas provided to the generator shall be separately metered or submetered at Tenant’s sole cost and expense and Tenant shall reimburse Landlord for the actual cost of any natural gas used within ten (10) business days after receipt of an invoice therefor. Landlord shall not charge monthly or regularly recurring rent for the space occupied by the generator provided that it is located in a non-revenue producing area of the Project, it being understood that Tenant is only responsible to pay or reimburse Landlord for the actual, reasonable, out-of-pocket expenses that Landlord incurs directly in connection with Tenant’s generator. Such backup generator shall be used by Tenant only during (i) testing and regular maintenance, and (ii) any period of electrical power outage in the Project. Tenant shall be entitled to operate the generator for testing and regular maintenance only upon notice to Landlord and at times reasonably approved by Landlord. Tenant shall submit the specifications for design, operation, installation and maintenance of the backup generator for Landlord’s consent, which consent shall not be unreasonably withheld, conditioned, or delayed and may be conditioned on Tenant complying with such reasonable requirements imposed by Landlord, based on the advice of Landlord’s structural and mechanical engineers, so that the Project’s systems and equipment are not adversely affected. In addition, Tenant shall ensure that the backup generator does not result in any Hazardous Materials being introduced to the Project, and Section 28(a) will apply to Tenant’s use of the backup generator. Further, Tenant shall be responsible for ensuring that the backup generator does not interfere with the use of the Project by other tenants. In the event another tenant of the Project or of a neighboring project complains of problems caused by the generator, Tenant shall take whatever steps are reasonably necessary to remedy the problem complained of, including removal of the backup generator if another solution is not available. Tenant shall ensure that the design and installation of the backup generator is performed in a manner so as to minimize or eliminate any noise or vibration cause by such generator. The vent for the generator must be higher than the roof line of the Project. Any repairs and maintenance of such generator shall be the sole responsibility of Tenant and Landlord makes no representation or warranty with respect to such generator. If Tenant is so notified by Landlord (it being agreed that subject that Landlord will use reasonable efforts to provide at least ninety (90) days prior to the expiration of this Lease or as soon as reasonably possible upon determination of earlier termination of this Lease – except in connection with an Event of Default in which case no prior notice shall be required), Tenant shall, at Tenant’s sole cost and expense, remove such generator upon the expiration or earlier termination of the Lease Term and repair all damage to the Project resulting from such removal. Such generator shall be deemed to be a part of the Premises for purposes of Article 14 of this Lease.

(i) **Tenant Install Meters.** Promptly after the date of this Lease, Tenant shall install temporary meters for all water, gas, heat, light, power, telephone, internet service, cable television, other telecommunications and other utilities supplied to the Premises for use during Tenant’s construction of the initial Improvements and until the Pod 4 Portion Commencement Date with respect to the Pod 4 Portion of the Premises and the Pod 5 Portion Commencement Date with respect to the Pod 5 Portion of the Premises. Tenant shall pay all utility charges for the Premises, together with any fees, surcharges and taxes thereon for the period beginning on the date that Tenant first accesses the Premises for any reason (other than inspection and measurement) after the date of this Lease, including, during the construction of the initial Improvements.

(j) **Access.** Subject to events attributable to Force Majeure, Landlord’s reasonable security requirements, repairs made by Landlord to the Project and Articles 16 and 18 below, Tenant shall have access to the (i) Premises, (ii) the Project (including access to the roof and other areas of the Project in which equipment being used by Tenant pursuant to the terms of this Lease is located (and with specific reference to Tenant’s obligations to maintain the automatic transfer switch and distribution of power throughout the Premises pursuant to Section 11(a)(vi) below); provided that, Tenant shall coordinate such entry with Landlord and provide not less than twenty-four (24) hours’ prior written notice to Landlord (except in the case of an emergency, in which event, notice shall be reasonable in light of the totality of the circumstances and it being agreed that Landlord shall endeavor in good faith to allow roof and such other access to shared common areas in which Tenant shares storage of equipment with other tenants of the Project, such as by way of example the equipment penthouse (and it being agreed that Tenant shall not be required to provide advance notice of entry to the Tank Pad, Building Generator and other areas of the Project that are exclusively occupied by Tenant in accordance with its rights expressly set forth in this Lease) upon such lesser notice as is reasonably practicable in an emergency situation), and (iii) the parking area for the Building twenty-four (24) hours per day, seven (7) days per week throughout the Term.
(k) **Bulk Tank Storage.** Subject to (i) applicable zoning requirements and (ii) Tenant’s receipt of all applicable governmental permits and approvals, Tenant shall be entitled to install, operate and maintain, at Tenant’s sole cost and expense, the Permitted Bulk Tank (as defined below) at a location reasonably designated by Landlord outside of the Premises within reasonably close proximity to Tenant’s generator and otherwise in a location reasonably acceptable to Tenant on a secured concrete pad (“Tank Pad”) constructed by Tenant in accordance with specifications approved by Landlord as part the Approved Working Drawings. Such specifications may include, without limitation, specifications intended to protect the pad from the public and to protect from any potential mechanical damage. The term “**Permitted Bulk Tank**” shall mean up to two (2) standard sized tanks for Carbon Dioxide or other compound approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed. Tenant shall install, operate and maintain the Permitted Bulk Tank in accordance with manufacturer’s specifications and the requirements of the Occupational Safety and Health Administration (including without limitation, the securing of the Permitted Bulk Tank and sealing and capping such tank when not in use), mandated safety precautions regarding transportation within the Premises and appropriate segregation of cylinders and all applicable Environmental Laws (collectively, “**Laws and Guidelines**”). If Landlord in good faith determines that Tenant has not installed or is not operating and maintaining the Permitted Bulk Tank in accordance with the Laws and Guidelines, Landlord may so notify Tenant and if Tenant does not remedy such failure promptly after such notice from Landlord, Landlord may take such measures determined by Landlord to be necessary in order to remedy such failure and all costs and expenses so insured by Landlord shall be due and payable, as Additional Rent, within ten (10) business days after receipt of written demand from Landlord. In the event Tenant does not receive the necessary permits and approvals for the Permitted Bulk Tank or the Tank Pad, Tenant’s and Landlord’s obligations under the remaining provisions of this Lease shall not be affected. Tenant’s obligation to indemnify, defend and hold Landlord harmless as provided in, and subject to, Section 13(a) below shall apply to Tenant’s access, use and operation of any Permitted Bulk Tank and Tank Pad (except to the extent caused by the negligence or willful misconduct of Landlord, its agents, employees, or contractors – but in each such case, subject to the waivers described in Section 14(d) below). Upon the expiration or earlier termination of this Lease, Tenant shall if required by Landlord (upon not less than thirty (30) days’ notice prior to expiration or such advanced notice as may otherwise be reasonable if this Lease is terminated as a result of an Event of Default by Tenant hereunder), at Tenant’s sole cost and expense, remove the Permitted Bulk Tank and repair any damage to the Project resulting from such removal, but Tenant shall not be required to remove the Tank Pad.

**ARTICLE 10**

**LIENS**

Tenant shall keep the Premises and the Project free from any mechanics’ liens, vendors liens or any other liens arising out of any work performed, materials furnished or obligations incurred by Tenant, and Tenant agrees to defend, indemnify and hold Landlord harmless from and against any such lien or claim or action thereon, together with costs of suit and reasonable attorneys’ fees and costs incurred by Landlord in connection with any such claim or action. Before commencing any work of alteration, addition or improvement to the Premises, Tenant shall give Landlord at least ten (10) business days’ written notice of the proposed commencement of such work (to afford Landlord an opportunity to post appropriate notices of non-responsibility). In the event that there shall be recorded against the Premises or the Project or the property of which the Premises is a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Tenant and such claim or lien shall not be removed or discharged (by the payment thereof or by filing a bond in statutory form and permitted by applicable law to provide substitute collateral for the lien) within ten (10) business days of filing and Tenant’s notice or awareness thereof, Landlord shall have the right but not the obligation to pay and discharge said lien without regard to whether such lien shall be lawful or correct (in which case Tenant shall reimburse Landlord for any such payment made by Landlord within ten (10) business days following receipt of written demand), or to require that Tenant promptly deposit with Landlord in cash, lawful money of the United States, one hundred fifty percent (150%) of the amount of such claim, which sum may be retained by Landlord until such claim shall have been removed of record or until judgment shall have been rendered on such claim and such judgment shall have become final, at which time Landlord shall have the right to apply such deposit in discharge of the judgment on said claim and any costs, including attorneys’ fees and costs incurred by Landlord, and shall remit the balance thereof to Tenant.
ARTICLE 11
PROJECT SERVICES

(a) Basic Services. Landlord agrees to furnish to the Premises and the Project, at a cost to be included in Operating Costs (except as expressly excluded), Building services in quantity, quality, and manner consistent with that of comparable first-class commercial laboratory buildings located in the Submarket ("Comparable Buildings"), including, but not limited to those services set forth below, at all times unless expressly limited herein:

(i) Air conditioning and heat for the Premises (but only to the extent that a separate HVAC System does not exclusively service the Premises, it being agreed that as described in Article 9 above as of the date hereof, independent air handlers and a humidification unit independently services the Premises) and in such event, Tenant shall be responsible for providing all air conditioning and heating to the areas of the Premises serviced by such HVAC System and for maintenance of such HVAC System) and common areas of the Project in such quantities as necessary to obtain and maintain the temperatures generally consistent with those maintained by landlords of Comparable Buildings in the common areas of the Project from 8:00 a.m. to 6:00 p.m. Mondays through Fridays and 8:00 a.m. to 1:00 p.m. on Saturdays, excepting local and national holidays ("Building Hours").

(ii) Electric current for normal lighting, the heating ventilation and air-conditioning system for the Premises normal office machines and use as lab space and for the common areas of the Project. The electricity for the Pod 4 Portion and the Pod 5 First Floor Portion are currently as of the date hereof separately submetered and Landlord shall reasonably cooperate with Tenant to separately meter, submeter or check meter the Pod 5 Ground Floor Portion, the mechanical spaces within the Pod 4 Portion and the Pod 5 Portion, and the Collaboration Area, at Tenant’s sole cost and expense, and Tenant shall make payment directly to the entity providing such electricity if the same is separately metered or Tenant shall reimburse Landlord without mark-up as and when bills are rendered as Additional Rent for the cost of such electricity if the same is submetered or check metered at the rates charged for such service by the city in which the Project is located or the local public utility, as the case may be, furnishing the same.

(iii) Janitorial services and supplies for the common areas of the Project at least five (5) days per week, excepting local and national holidays. Tenant shall be responsible for retaining a bonded janitorial contractor, which contractor shall provide janitorial, trash removal and cleaning services at least five (5) days per week, excluding local and national holidays, and shall be reasonably approved by Landlord, and Tenant hereby acknowledges that Landlord shall have no obligation whatsoever to provide janitorial, trash removal and cleaning service to the Premises. The janitorial, trash removal and cleaning of the Premises shall be adequate to maintain the Premises in a manner consistent with the character of the Project as a first-class life science project.

(iv) Elevator service in the common areas of the Project and water for lavatory and landscaping purposes in the common area and for lavatory purposes in the Premises in such reasonable quantities as in the judgment of Landlord is consistent with that provided in Comparable Buildings and reasonably necessary for general office use. If Landlord determines that Tenant requires, uses or consumes water for any purpose other than ordinary lavatory purposes, Landlord may install a water meter or submeter, at Tenant’s sole cost and expense, and thereby measure Tenant’s water consumption for all purposes and Tenant shall make payment directly to the entity providing such water if the same is separately metered or Tenant shall reimburse Landlord, within ten (10) business days after receipt of written demand therefor by Landlord, as Additional Rent for the actual cost of such water if the same is submetered at the rates charged for such service by the city in which the Project is located or the local public water district, as the case may be, furnishing the same. Subject to Force Majeure and temporary periods of reasonable duration as may be necessary for Landlord to perform its maintenance and repair obligations hereunder or otherwise to comply with applicable law, at least one (1) elevator shall serve each floor of the Premises at all times during normal Building Hours.

(v) Base building controlled entry security (which may include, card readers and other similar devices to the extent then generally provided in Comparable Buildings and reasonably necessary for Tenant’s access to the Premises and/or the common areas within the Project) and with specific reference to Section 9(f) above relating to Tenant’s rights to install a separate security system for the Premises as an Alteration or as a part of the Improvements and to tie Tenant’s security system into the Building security system, such that only one access card or device is required to access both the Building and the Premises.

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(vi) Backup generator and UPS battery system emergency service for the Project (the “Building Generator and UPS System”) with a minimum of the following specifications: (1) Building Generator: 2350kVA, 480 V, 3 phase, Milton Cat 3508, with electric resistive load bank (100 kW); (2) UPS System: MGE Galaxy 5,000, 480 V, 3 phase, 151 amp; server room – APC in row, 80kVa, 208 V, 3 phase, 270. Tenant shall be entitled to use up to Tenant’s Proportionate Share (after deducting any power from the Building Generator and UPS System required for the common areas of the Project) of power from the Building Generator and UPS System on a non-exclusive basis with other tenants in the Project based on its current distribution. The cost of maintaining, repairing and replacing the Building Generator and UPS System shall constitute Operating Costs, except to the extent expressly excluded therefrom. Landlord expressly disclaims any warranties with regard to the Building Generator and UPS System or the installation thereof, including any warranty of merchantability or fitness for a particular purpose, and Tenant shall be responsible for determining if Tenant’s Proportionate Share of the Building Generator and UPS System as set forth above is sufficient for Tenant’s operations at the Premises and for providing any supplemental backup generator service for the Premises if necessary, subject to the terms and conditions of Sections 9(c) and (h) above. Landlord shall maintain the Building Generator and UPS System and any equipment connecting the Building Generator and UPS System 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, for maintaining and operating Tenant’s automatic transfer switch and the distribution of power from Tenant’s automatic transfer switch throughout the Premises. Tenant shall have access to the Building Generator and UPS Systems pursuant to Section 9(j) above to perform its foregoing obligations with respect thereto.

(vii) An acid neutralization tank (the “Acid Neutralization Tank”) that is connected to the Premises, as well as to other premises located in Pods 2 through 5 of the Project. Tenant shall have a non-exclusive right to use its proportionate share of the Acid Neutralization Tank in accordance with applicable laws in common with such other tenants in the Project. Tenant, as a portion of its Operating Costs (except for those amounts expressly excluded from being included in Operating Costs), shall reimburse Landlord for all actual, reasonable costs, charges and expenses incurred by Landlord from time to time in connection with or arising from the operation, use, maintenance, repair or refurbishment of the Acid Neutralization Tank, including all clean-up costs relating to the Acid Neutralization Tank (collectively, “Tank Costs”); provided, however, that if the Acid Neutralization Tank is being used by other tenant(s) or occupant(s) of the Project at any time during the Term, then, during such time period, Tenant shall only be obligated to pay its proportionate share of the Tank Costs which Tank Costs shall be allocated by Landlord to among all the users of the same on a fair, equitable, commercially reasonable, and proportionate basis, which shall be described to Tenant, in reasonable detail and it being agreed that currently as of the date hereof the Acid Neutralization Tank services tenants occupying space in Pods 2 through 5 of the Project. Notwithstanding the foregoing, in the event the Acid Neutralization Tank is damaged or repairs to the Acid Neutralization Tank are required as a result of the improper use of the Acid Neutralization Tank by Tenant, Tenant shall be responsible for one hundred percent (100%) of the actual, out of pocket and verifiable cost of any repairs or replacement required as a result of such improper use by Tenant, regardless of whether the Acid Neutralization Tank is then being used by other tenant(s) or occupant(s) of the Project. Similarly, if the Acid Neutralization Tank is damaged, or if repairs to the Acid Neutralization Tank are required as a result of the improper use of the Acid Neutralization Tank by other tenant(s) or occupant(s) of the Project, then Tenant shall have no responsibility for the cost of any repairs or replacements required as a result of such improper use by such other tenant(s) or occupant(s). Tenant shall indemnify the Landlord Parties from and against any and all Claims, including (a) diminution in value of the Project or any portion thereof, (b) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Project, (c) damages arising from any adverse impact on marketing of space in the Project or any portion thereof and (d) sums paid in settlement of Claims that arise during or after the Term as a result of Tenant’s improper use of the Acid Neutralization Tank. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration required by any governmental authority arising from Tenant’s improper use of the Acid Neutralization Tank. Notwithstanding the foregoing, Landlord reserves the right, in its sole but good faith discretion and upon written notice to Tenant, to require Tenant to install its own acid neutralization system within the Premises if Tenant’s chemical quantities and water flows materially exceed its proportionate share of the Acid Neutralization Tank.
(viii) A reverse osmosis deionized (water) system (the “RODI System”) that is connected to the Premises, as well as to other premises located in Pods 2 through 5 of the Project. Tenant shall have a non-exclusive right to use its proportionate share of the RODI System in accordance with applicable laws in common with such other tenants in the Project. Tenant, as a portion of its Operating Costs (except for those amounts expressly excluded from being included in Operating Costs), shall reimburse Landlord for all actual, reasonable costs, charges and expenses incurred by Landlord from time to time in connection with or arising from the operation, use, maintenance, repair or refurbishment of the RODI System (collectively, “RODI System Costs”); provided, however, that if the RODI System is being used by other tenant(s) or occupant(s) of the Project at any time during the Term, then, during such time period, Tenant shall only be obligated to pay its proportionate share of the RODI System Costs which RODI System Costs shall be allocated by Landlord to among all the users of the same on a fair, equitable, commercially reasonable, and proportionate basis, which shall be described to Tenant, in reasonable detail. Notwithstanding the foregoing, in the event the RODI System is damaged or repairs to the RODI System are required as a result of the improper use of the RODI System by Tenant, Tenant shall be responsible for one hundred percent (100%) of the actual, out of pocket and verifiable cost of any repairs or replacement required as a result of such improper use by Tenant, regardless of whether the RODI System is then being used by other tenant(s) or occupant(s) of the Project. Similarly, if the RODI System is damaged, or if repairs to the Acid Neutralization Tank are required as a result of the improper use of the RODI System by other tenant(s) or occupant(s) of the Project, then Tenant shall have no responsibility for the cost of any repairs or replacements required as a result of such improper use by such other tenant(s) or occupant(s). Tenant shall indemnify the Landlord Parties from and against any and all Claims, including (a) diminution in value of the Project or any portion thereof, (b) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Project, (c) damages arising from any adverse impact on marketing of space in the Project or any portion thereof and (d) sums paid in settlement of Claims that arise during or after the Term as a result of Tenant’s improper use of the RODI System. Notwithstanding the foregoing, Landlord reserves the right, in its sole but good faith discretion and upon prior written notice to Tenant and after expiration of a thirty (30) day notice and cure period, to require Tenant to install its own RODI System in an area mutually agreed upon by Landlord and Tenant if Tenant’s chemical quantities and water flows materially exceed its proportionate share of the RODI System.

(ix) Tenant shall pay for all water (including the cost to service, repair and replace reverse osmosis, de-ionized system and other treated water unless such system is not being utilized by Tenant, but if Tenant is using such system, then the costs allocable to Tenant shall be determined in a manner consistent with the RODI Systems Costs), 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; provided, however, Tenant shall pay for utilities and services directly to the supplier thereof to the extent that such utilities are separately metered for the utility supplier to bill its customer directly. If any such utility is not separately metered to Tenant or separately billed to Tenant under Section 6.1 above, the cost of such utilities and services will be included in Operating Costs. In the event that the Building or the Project is less than fully occupied, Tenant acknowledges that Landlord may extrapolate utility usage that vary depending on the occupancy of the Building or Project, as applicable, by dividing (a) the total cost of utility usage by (b) the Rentable Area of the Building or Project (as applicable) that is occupied, then multiplying the resulting quotient by ninety-five percent (95%) of the total rentable area of the Building or Project (as applicable). Tenant shall pay Tenant’s Proportionate Share of such product; provided, however, that Landlord shall not recover more than one hundred percent (100%) of such utility costs.

Tenant shall cooperate with Landlord’s efforts to cause the utilities for the Project to comply with Landlord’s sustainability practices applicable to the Project, provided that such compliance does not materially increase Tenant’s costs under this Lease. Such efforts may include, without limitation, the use of energy efficient bulbs in task lighting, energy efficient lighting controls and measures to avoid over-lighting interior spaces. Tenant shall comply with all reasonable rules and regulations which Landlord may establish for the proper functioning and protection of the common area air conditioning, heating, elevator, electrical, intrabuilding cabling and wiring and plumbing systems. Except as specifically provided in this Article 11, Tenant agrees to pay for all utilities and other services utilized by Tenant and any additional building services furnished to Tenant upon Tenant’s request which are not uniformly furnished to all tenants of the Project, at the rate generally charged by Landlord to tenants of the Project for such utilities or services.
(x) Landlord shall provide on-site property management services consistent with a level provided by comparable landlords in Comparable Buildings and otherwise consistent with Landlord’s standard property management practices during Building Hours.

(xi) Replacement of Building standard light bulbs in the common areas of the Project.

(b) **Excess Usage.** Tenant will not, without the prior written consent of Landlord, such consent not to be unreasonably withheld, conditioned, or delayed, use any apparatus or device in the Premises which will in any way increase the amount of any utility services usually furnished or supplied for use of the Premises as general office and lab space; nor connect any apparatus, machine or device with water pipes, for the purpose of using water.

(c) **Additional Electrical Service.** If Tenant shall require electric current in excess of that which Landlord is obligated to furnish under Section 11(a) above or Tenant’s proportionate share of the capacity of any of the electrical conductors and equipment serving the Project, then Tenant shall first obtain the written consent of Landlord, which consent Landlord shall not unreasonably withhold, condition, or delay. In order to ensure that such capacity is not exceeded, and to avert a possible adverse effect upon the Project’s distribution of electricity via the Project’s electric system, Tenant shall not, without Landlord’s prior written consent in each instance (which consent shall not be unreasonably withheld, conditioned, or delayed but Tenant agrees it shall be reasonable for Landlord to condition consent upon the availability of electric energy in the Project) connect any over-standard fixtures, appliances or equipment to the Building’s or Project’s electric system or make any alterations or additions to the electric system of the Premises existing on the applicable Commencement Date. Should Landlord grant such consent, all additional risers, distribution cables or other equipment required therefor shall be provided by Landlord and the actual, reasonable cost thereof shall be paid by Tenant to Landlord within ten (10) business days after Tenant’s receipt of demand therefor (or, at Tenant’s option, shall be provided by Tenant pursuant to plans and contractors approved by Landlord, and otherwise in accordance with the provisions of this Lease). Landlord shall have the right to require Tenant to pay sums on account of such actual, reasonable cost prior to the installation of any such risers or equipment. Additionally, Landlord may cause an electric current meter or submeter to be installed in or about the Premises to measure the amount of any such excess electric current consumed by Tenant in the Premises. The cost of such meter and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord, within ten (10) business days after receipt of written demand therefor by Landlord, the actual cost of such meter and of installation, maintenance and repair thereof. Tenant agrees that Tenant shall not be deemed to be using additional or excess electrical service unless Tenant’s equipment causes Tenant’s consumption of electricity to exceed six (6) watts per rentable square foot within the Premises (connected load).

(d) **HVAC Balance.** If any lights, machines or equipment (including but not limited to computers and computer systems and appurtenances and any lab equipment or systems) are used by Tenant in the Premises which materially affect the temperature otherwise maintained by the air conditioning system, or generate substantially more heat in the Premises than would be generated by the building standard lights and usual office equipment, Landlord shall have the right to install any machinery and equipment which Landlord reasonably deems necessary to restore temperature balance, including but not limited to modifications to the standard air conditioning equipment, and the actual, out of pocket and verifiable cost thereof, including the actual, out of pocket and verifiable cost of installation and any actual, out of pocket and verifiable additional cost of operation and maintenance occasioned thereby, shall be paid by Tenant to Landlord within ten (10) business days after receipt of written demand by Landlord. Notwithstanding the foregoing, Landlord shall not install or make the foregoing modifications unless Landlord informs Tenant of heat and imbalance and Tenant fails to correct the same within thirty (30) days after receipt of written notice thereof.

(e) **Telecommunications.** Upon request from Tenant from time to time, Landlord will provide Tenant with a listing of telecommunications and media service providers serving the Project, and Tenant shall have the right to contract directly with the providers of its choice, whether or not on such list. If Tenant wishes to contract with or obtain service from any provider which does not currently serve the Project or wishes to obtain from an existing carrier services which will require the installation of additional equipment, such provider must, prior to providing service, enter into a written agreement with Landlord setting forth the terms and conditions of the access
to be granted to such provider. In considering the installation of any new or additional telecommunications cabling or equipment at the Project, Landlord will consider all relevant factors in a reasonable and non-discriminatory manner, including, without limitation, the existing availability of services at the Project, the impact of the proposed installations upon the Project and its operations and the available space and capacity for the proposed installations. Landlord may also consider whether the proposed service may result in interference with or interruption of other services at the Project or the business operations of other tenants or occupants of the Project. In no event shall Landlord be obligated to incur any costs or liabilities in connection with the installation or delivery of telecommunications services or facilities at the Project requested by Tenant per the above. All such installations shall be subject to Landlord’s prior approval, such approval not to be unreasonably withheld, conditioned, or delayed and shall be performed in accordance with the terms of Article 9. If Landlord approves the proposed installations in accordance with the foregoing, Landlord will deliver its standard form agreement upon request and will use commercially reasonable efforts to promptly enter into an agreement on reasonable and non-discriminatory terms with a qualified, licensed and reputable carrier confirming the terms of installation and operation of telecommunications equipment consistent with the foregoing.

(f) **After-Hours Use.** If Tenant requires heating, ventilation and/or air conditioning during times other than the times provided in Section 11(a) above, Tenant shall give Landlord such advance notice as Landlord shall reasonably require and Landlord shall provide such after-hours services. Tenant shall pay Landlord’s standard charge for such after-hours use.

(g) **Reasonable Charges.** Landlord may impose a reasonable charge for any utilities or services (other than electric current and heating, ventilation and/or air conditioning which shall be governed by Sections 11(c) and (f) above) utilized by Tenant in the Premises in excess of the amount or type that Landlord reasonably determines is typical for laboratory and office use; provided, however, prior to imposing said charge, Landlord shall inform Tenant that it believes Tenant to be using excess utilities and provide Tenant within thirty (30) days to either reduce such use or be charged for the costs incurred by Landlord due to such utilities to reflect such excess without mark-up but inclusive an amount reasonably estimated by Landlord in good faith to be attributable to increased wear and tear on systems as a result of such excessive use.

(h) **Abatement Event.** An “**Abatement Event**” shall be defined as an event that prevents Tenant from using the Premises or any portion thereof, as a result of Landlord’s failure to perform repairs required under this Lease or any failure to provide services or access to the Premises, where (i) Tenant does not actually use the Premises or such portion thereof, and (ii) such event is not caused by the negligence or willful misconduct of Tenant, its agents, employees or contractors. Tenant shall give Landlord notice (“**Abatement Notice**”) of any such Abatement Event, and if such Abatement Event continues beyond the “**Eligibility Period**” (as that term is defined below), then the Basic Rental and Tenant’s Proportionate Share of Direct Costs shall be abated entirely or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Basic Rental and Tenant’s Proportionate Share of Direct Costs for the entire Premises shall be abated entirely for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Basic Rental and Tenant’s Proportionate Share of Direct Costs allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. The term “**Eligibility Period**” shall mean a period of three (3) consecutive business days after Landlord’s receipt of any Abatement Notice(s); provided, however, it Landlord has actual acknowledge of the Abatement Event, the three (3) consecutive day period shall run from the date of such actual knowledge instead as provided by Tenant in an Abatement Notice. Such right to abate Basic Rental and Tenant’s Proportionate Share of Direct Costs shall be Tenant’s sole and exclusive remedy at law or in equity for an Abatement Event. If a fire or other casualty results in Tenant’s inability to use the Premises or a portion thereof, the terms and conditions of Article 16 below shall apply rather than this Section 11(h).
(i) **Project Amenities.** Throughout the Term of this Lease, at no additional cost to Tenant or its employees (other than Tenant’s payment of Tenant’s Proportionate Share of Direct Costs as provided herein) the common areas of the Project will contain the following for the non-exclusive use and enjoyment of Tenant and Tenant’s employees: (a) a “grab and go” café; (b) outdoor café seating; (c) such laboratory and buildings systems as more particularly set forth on Exhibit “A.1” attached hereto, (d) fitness center and men’s and women’s shower facilities, and (e) conference center, and (f) collaboration areas (collectively, the “Amenities”). Landlord (or an operator selected by the Landlord) shall operate and maintain the Amenities in a manner consistent with other Comparable Buildings. The Amenities may not be unavailable from time to time on a temporary basis (not to exceed seven (7) consecutive days) due to construction activities, repairs, maintenance or alterations, or a change in the managing or operating company hired by Landlord. Landlord agrees that the Amenities shall not be available to persons other than the tenants of the Building and their employees. Use of the Amenities shall be subject to (a) Landlord’s Rules and Regulations regarding the use thereof; and (b) with respect to the fitness center, execution of a waiver of liability and indemnity agreement by Tenant’s employees and invitees in Landlord’s standard form which shall be commercially reasonable.

**ARTICLE 12**

**RIGHTS OF LANDLORD**

(a) **Right of Entry.** Subject to Tenant’s reasonable security requirements, Landlord and its agents shall have the right to enter the Premises at all reasonable times upon one (1) business day’s prior written notice (except that no notice shall be required in the case of an emergency or regularly scheduled service) for the purpose of inspect the Premises and to determine whether Tenant is in compliance with its obligations hereunder, or serving or posting and keeping posted thereon notices as provided by law. If Tenant shall not be personally present to open and permit an entry into the Premises at any time when such an entry by Landlord is necessary or permitted hereunder, Landlord may enter by means of a master key, or may forcibly enter in the case of an emergency, in each event without liability to Tenant and without affecting this Lease.

(b) **Maintenance Work.** Landlord reserves the right from time to time: (i) to install, use, maintain, repair, replace, relocate and control for service to the Premises and/or other parts of the Project pipes, ducts, conduits, wires, cabling, appurtenant fixtures, equipment spaces and mechanical systems, wherever located in the Premises or the Project, (ii) to alter, close or relocate any facility in the Premises or the common areas or otherwise conduct any of the above activities for the purpose of complying with a general plan for fire/life safety for the Project or otherwise, (iii) to comply with any federal, state or local law, rule or order and (iv) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time;

(c) **Roof Equipment.** If Tenant desires to use the roof of the Project to install communication equipment to be used from the Premises and/or other equipment serving the Premises, Tenant may so notify Landlord in writing ("Roof Equipment Notice"), which Roof Equipment Notice shall describe the specifications for the equipment desired by Tenant and shall include elevations for such equipment. Any plans submitted by Tenant for the Improvements which include Roof Equipment shall serve as the Roof Equipment Notice for such Roof Equipment. Subject to all governmental laws, rules and regulations, Tenant and Tenant’s contractors (which shall first be approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed) shall then have the right and access subject to the terms and conditions of this Lease to install,
repair, replace, operate and maintain Tenant’s equipment on the roof approved in advance by Landlord (collectively, the “Roof Equipment”), and which Roof Equipment may include, without limitation, HVAC equipment, other equipment serving the Premises and/or so-called “satellite dishes” or other similar communication devices, such as antennae, cable, wiring, conduits and related equipment serving the Premises from the rooftop, mechanical equipment, and heat exchanges, for the purpose of supplying HVAC to the Premises, receiving and sending radio, television, computer, telephone or other communication signals (at a location on the roof of the Project reasonably satisfactory to Landlord and Tenant and suitable for the effective reception, transmission and operation of such Roof Equipment), and/or otherwise serving the Tenant in the conduct of its business operations from the Premises for the Permitted Use. Subject to Landlord’s approval as part of the plans required hereunder as further provided herein and further subject to the terms and conditions of this Lease relating to construction of the Improvement and Alterations (as applicable), Tenant shall have the non-exclusive right to use its proportionate share of shafts, ducts, conduits, chases, utility closes and other facilities of the Building or Project as is reasonably necessary to connect the Rooftop Equipment (as hereinafter defined) to Tenant’s machinery and equipment in or about the Premises. Landlord shall have the right to require Tenant to install aesthetic screening reasonably designated by Landlord if the Rooftop Equipment is visible from street level. To the extent required with respect to the maintenance and repair of the Project or applicable laws, upon at least forty-five (45) days’ prior written notice to Tenant, Landlord shall have the right to require Tenant to relocate, at Landlord’s sole cost, the Roof Equipment at any time to another location on the roof of the Project reasonably approved by Tenant, provided that such relocation will not materially and adversely affect the use of or otherwise materially and adversely interfere with the use of the Rooftop Equipment. Tenant shall retain Landlord’s designated roofing contractor to make any necessary penetrations and associated repairs to the roof in order to preserve Landlord’s roof warranty and Landlord shall use reasonable efforts to ensure that such contractor is competitively priced and reasonably available. In addition, subject to Landlord’s Rules and Regulations and the terms and conditions of Section 9(j) above, Landlord shall grant Tenant and such contractors with access to the roof of the Project on a twenty-four (24) hour per day basis to inspect and service its equipment on the roof. Tenant’s installation and operation of the Roof Equipment shall be governed by the following terms and conditions:

(i) Tenant’s right to install, replace, repair, remove, operate and maintain the Roof Equipment shall be subject to all governmental laws, rules and regulations and Landlord makes no representation that such laws, rules and regulations permit such installation and operation.

(ii) The location of the Roof Equipment shall be subject to Landlord’s reasonable approval, which shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem (in which event Landlord may withhold its approval in its sole but good faith discretion). All plans for the Roof Equipment must be provided to and approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem—in which event Landlord may withhold its approval in its sole but good faith discretion) prior to installation of such equipment by Tenant.

(iii) All costs of installation, operation and maintenance of the Roof Equipment and any necessary related equipment (including, without limitation, costs of obtaining any necessary permits and connections to the Project’s electrical system) shall be borne by Tenant.

(iv) It is expressly understood that, except as provided herein, Landlord retains the right to use the roof of the Project for any purpose whatsoever (subject to Section 12(c)(xii) below) provided that Landlord shall not materially interfere with Tenant’s use of the Roof Equipment or other equipment installed by Tenant under this Lease.

(v) Tenant shall use the Roof Equipment so as not to cause any material interference to other tenants in the Project or with any other tenant’s Roof Equipment, to the extent such other tenant’s Roof Equipment is being operated on the roof prior to the installation of Tenant’s Roof Equipment and there is no subsequent modification to such other tenant’s Roof Equipment or the operation of same, and not to damage the Project or interfere with the normal operation of the Project. The Roof Equipment must be properly secured and installed so as not to be affected by high winds or other elements and must be properly grounded. The weight of the Roof Equipment may not exceed the load limits of the Project and in no event may the Roof Equipment or any appurtenant wiring or cable interfere with or otherwise adversely affect the electrical, HVAC, mechanical, structural, life/safety or other systems of the Project.

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(vi) Except as expressly provided herein, Landlord makes no representation that the Roof Equipment will be able to receive or transmit communication signals without interference or disturbance (whether or not by reason of the installation or use of similar equipment by others on the roof of adjacent buildings) and Tenant agrees that Landlord shall not be liable to Tenant therefor but Landlord agrees that Landlord shall not allow any other equipment on the roof of the Building or any other building or area located in the Project and controlled by Landlord or a Landlord-affiliate which does not exist (or does not exist in substantially the same condition) as of the date of Tenant’s installation of its Roof Equipment and which materially interferes with Tenant’s Roof Equipment. Tenant shall not lease or otherwise make the Roof Equipment available to any third party (except approved Transferees) and the Roof Equipment shall be only for Tenant’s or approved Transferees’ use in connection with the conduct of their business in the Premises.

(vii) Tenant shall (i) be solely responsible for any damage caused as a result of the Roof Equipment, (ii) promptly pay any tax, license or permit fees charged pursuant to any laws or regulations in connection with the installation, maintenance or use of the Roof Equipment and comply with all reasonable precautions and safeguards recommended by all governmental authorities, and (iii) pay for all necessary repairs, replacements to or maintenance of the Roof Equipment, except to the extent necessitated due to the negligence or willful misconduct of Landlord, its agents, employees, or contractors (but subject to the waivers described in Section 14(d)).

(viii) The Roof Equipment shall remain the sole property of Tenant. Tenant shall remove the Roof Equipment and related equipment at Tenant’s sole cost and expense upon the expiration or sooner termination of this Lease or upon the imposition of any governmental law or regulation which may require removal, and shall repair the Project upon such removal to the extent required by such work of removal. If Tenant fails to remove the Roof Equipment and repair the Project within thirty (30) days after the expiration or earlier termination of this Lease, Landlord may do so at Tenant’s expense. The provisions of this clause (viii) shall survive the expiration or earlier termination of this Lease.

(ix) The Rooftop Equipment shall be deemed to constitute a portion of the Premises for purposes of Articles 13 and 14 of this Lease.

(x) Tenant shall not be required to pay Landlord any fee for use or operation of the Roof Equipment or the space used by the Roof Equipment, it being understood that Tenant is only responsible to pay or reimburse Landlord for the actual, reasonable, out-of-pocket expenses that Landlord incurs in connection with the Rooftop Equipment to the extent attributable to Tenant’s request for specific services.

(xi) Landlord shall use reasonable diligence to restore any interruption in electrical service to the Roof Equipment promptly, but Tenant shall have no claim for lost business or lost profits damages due to any such interruption, except (A) as provided in Section 11(i) above, and (B) Landlord shall be responsible for any such damages so incurred by Tenant to the extent of Landlord’s negligence or willful misconduct (but subject to the waivers described in Section 14(d)). Tenant acknowledges that Landlord may, as part of its maintenance and repair obligations at the Project, require a temporary interruption of electrical service that may cause a temporary disruption of service to the Roof Equipment. Landlord shall provide Tenant with no less than five (5) business day’s prior written notice of any such interruption, except in the event of an emergency but failure to provide such notice shall constitute a default by Landlord hereunder. Landlord agrees to make a reasonable effort to schedule any such interruption outside the Project’s normal business hours. Landlord also agrees to make a reasonable effort to cooperate with Tenant in obtaining temporary alternate power during any such scheduled maintenance operations, but shall have no obligation to provide alternate power from emergency power sources.

(xii) In the event that Tenant leases the entire Project, Tenant and any Transferee of Tenant then occupying space in the Project shall have the exclusive right to use the roof of the Project, subject to any rights granted by Landlord pursuant to agreements in existence as of the date Tenant leases the entire Project (including any renewal or extension of any then-existing agreements but not any expansion of the space or facilities applicable under such agreements). Tenant shall have the right to select its communication providers for the Roof Equipment, subject to the terms of Section 11(e) above.
ARTICLE 13
INDEMNITY; EXEMPTION OF LANDLORD FROM LIABILITY

(a) Indemnity.

(i) Subject to the waivers described in Section 14(d) below, Tenant shall indemnify, defend and hold Landlord and its members, officers, directors, employees, contractors, property manager and agents (collectively, “Landlord Parties”) harmless and release the Landlord Parties from any loss, cost, liability, damage or expense including, but not limited to, penalties, fines, reasonable attorneys’ fees and costs (collectively, “Claims”) arising from Tenant’s and its employees’ and licensees’ use of the Premises or the Project or from the conduct of its business or from any work or thing which may be permitted or suffered by Tenant in or about the Premises or the Project and shall further indemnify, defend and hold Landlord and the Landlord Parties harmless from and against any and all Claims arising from any breach or default in the performance of any obligation on Tenant’s part to be performed under this Lease or arising from any negligence or willful misconduct of Tenant or any of its agents, contractors, employees or members in or about the Project (or Tenant’s visitors, patrons, or customers in the Premises) and from any and all costs, reasonable attorneys’ fees and costs, expenses and liabilities incurred in the defense of any Claim or any action or proceeding brought thereon. However, notwithstanding the foregoing, Tenant shall not be required to indemnify and/or hold Landlord harmless from any loss, cost, liability, damage or expense, including, but not limited to, Claims, to any person, property or entity to the extent resulting from the negligence or willful misconduct of Landlord or its agents, contractors, or employees (except for damage to the Improvements and Tenant’s personal property, fixtures, furniture and equipment in the Premises in which case Tenant shall be responsible to the extent Tenant is required to obtain the requisite insurance coverage pursuant to this Lease).

(ii) Landlord shall indemnify, defend and hold Tenant and its members, officers, directors, employees, contractors, property manager and agents (collectively, “Tenant Parties”) harmless and release the Tenant Parties from any Claims arising from any breach or default in the performance of any obligation on Landlord’s part to be performed under this Lease or any negligence or willful misconduct of Landlord or any of the Landlord Parties in or about the Project and from any and all reasonable costs, reasonable attorneys’ fees and costs, expenses and liabilities incurred in the defense of any Claim or any action or proceeding brought thereunto.

(iii) Notwithstanding the foregoing or anything to the contrary contained herein, because Landlord maintains insurance on the Project and Tenant compensates Landlord for such insurance as part of Tenant’s Proportionate Share of Direct Costs and because of the existence of waivers of subrogation set forth in Article 14 of this Lease, Landlord hereby indemnifies and holds Tenant harmless from any Claims to any property outside of the Premises to the extent such Claim is covered by such insurance, even if resulting from the negligent acts, omissions, or willful misconduct of Tenant or those of its agents, contractors, or employees. Similarly, since Tenant must carry insurance pursuant to Article 14 to cover its personal property within the Premises and the Improvements, Tenant hereby indemnifies and holds Landlord harmless from any Claim to any property within the Premises, to the extent such Claim is covered by such insurance, even if resulting from the negligent acts, omissions or willful misconduct of Landlord or those of its agents, contractors, or employees.

(iv) Subject to the waivers set forth in Section 14(d) below, Tenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord and the Landlord Parties, excepting to the extent the damage is caused by the negligence or willful misconduct of Landlord or the Landlord Parties. The indemnity in this Section (as well as any other provisions of this Lease dealing with indemnification of the Landlord by Tenant) shall be subject to and limited by the provisions of M.G.L. c. 186, Section 15.

(b) Exemption of Landlord from Liability. Landlord and the Landlord Parties shall not be liable for injury to Tenant’s business, or loss of income therefrom, however occurring (including, without limitation, from any failure or interruption of services or utilities or as a result of Landlord’s negligence), or, except in connection with damage or injury resulting from the negligence and willful misconduct of Landlord or the Landlord Parties, for damage that may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees, customers, agents, or contractors, or any other person in, on or about the Premises directly or indirectly caused by or resulting from any cause whatsoever, including, but not limited to, fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises,
or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, light fixtures, or mechanical or electrical systems, or from intrabuilding cabling or wiring, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Project or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord and the Landlord Parties shall not be liable to Tenant for any damages arising from any willful or negligent action or inaction of any other tenant of the Project.

(c) Security. Except as otherwise expressly provided in Section 11(a)(v), Tenant acknowledges that Landlord’s election whether or not to provide any type of mechanical surveillance whatsoever in the Project is solely within Landlord’s discretion. Tenant shall be responsible for its own security for the Premises.

ARTICLE 14
INSURANCE

(a) Tenant’s Insurance. Tenant, shall at all times during the Term of this Lease, and at its own cost and expense, procure and continue in force the following insurance coverage: (i) Commercial General Liability Insurance, written on an occurrence basis, with a combined single limit for bodily injury and property damages of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the annual aggregate, including contractual coverage and personal injury coverage, covering the insuring provisions of this Lease; (ii) umbrella/excess liability insurance in an amount of not less than Ten Million Dollars ($10,000,000) for each occurrence and general aggregate; (iii) a policy of standard fire, extended coverage and special extended coverage insurance (special form), including a vandalism and malicious mischief endorsement, sprinkler leakage coverage where sprinklers are provided in an amount equal to the 100% full replacement value new without deduction for depreciation of all (A) Tenant Improvements, Alterations, fixtures and other improvements in the Premises, including but not limited to all mechanical, plumbing, heating, ventilating, air conditioning, electrical, telecommunication and other equipment, systems and facilities, and (B) trade fixtures, furniture, equipment and other personal property installed by or at the expense of Tenant or otherwise located in the Premises and with such policy naming Landlord as loss payee as its interests may appear; (iv) Worker’s Compensation and employers liability coverage as required by law and with limits of not less than $1,000,000, each accident, $1,000,000, disease policy limit, and $1,000,000, disease each employee (which policies shall contain waivers of subrogation in favor of Landlord); (v) boiler and machinery insurance on all boilers, pressure vessels, gas-fired equipment, air conditioning equipment installed by the Tenant and systems serving the Premises and, if not covered by the insurance described in subsection (iii), then the insurance specified in this subsection (v) shall be in an amount not less than one hundred percent (100%) of full replacement cost of such items; (vi) business interruption, loss of income and extra expense insurance with coverage that will reimburse Tenant for all direct and indirect loss of income and changes and costs incurred arising out of all named perils insured against by Tenant’s policies of property insurance, including prevention of, or denial of use of or access to, all or any part of the Premises or Project as a result of those named perils sufficient to cover a period of interruption of not less than twelve (12) months of the loss of income, charges and costs contemplated under this Lease; and (vii) medical malpractice insurance at limits of not less than $1,000,000 each claim during such periods, if any, that Tenant engages in the practice of medicine or clinical trials involving human beings at the Premises. Pollution Legal Liability insurance shall also be required if Tenant stores, handles, generates or treats Hazardous Materials on or about the Premises. Such coverage shall include bodily injury, sickness, disease or death sustained by any person; property damage including damage 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 damaged or destroyed; defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Such 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 for Pollution Legal Liability insurance, provided the policy retroactive date is as of the earlier of the Pod 4 Portion Commencement Date and Pod 5 Portion Commencement Date, as the case may be, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage for Pollution Legal Liability insurance shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate. Finally, Tenant shall carry and maintain during the entire Term (including any option periods, if applicable), at Tenant’s sole cost and expense, increased amounts of the insurance.
required to be carried by Tenant pursuant to this Article 14 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant’s operations therein, as may be reasonably required by Landlord, so long as such increased amounts and/or other types of insurance coverage are then generally required by comparable landlords of comparable first-class, institutional quality buildings in the vicinity of the Project.

(b) Form of Policies. The aforementioned minimum limits of policies and Tenant’s procurement and maintenance thereof shall in no event limit the liability of Tenant hereunder. The Commercial General Liability Insurance policy shall name Landlord, the Landlord Parties, Landlord’s property manager, Landlord’s lender(s) and such other persons or firms as Landlord specifies from time to time, as additional insureds with an appropriate endorsement to the policy(s). All such insurance policies carried by Tenant shall be with companies having a rating of not less than A-VIII in Best’s Insurance Guide. Tenant shall furnish to Landlord, from the insurance companies, or cause the insurance companies to furnish, certificates of coverage. The deductible under each such policy shall be reasonably acceptable to Landlord. No such policy shall be cancelable or subject to reduction of coverage or other modification or cancellation except after thirty (30) days prior written notice to Landlord by the insurer. All such policies shall be endorsed to agree that Tenant’s policy is primary and that any insurance carried by Landlord is excess and not contributing with any Tenant insurance requirement hereunder. Tenant shall, at least twenty (20) days prior to the expiration of such policies, furnish Landlord with renewals or binders. Tenant agrees that if Tenant does not take out and maintain such insurance in a timely manner and the same is not corrected within five (5) days following Tenant’s receipt of written notice thereof from Landlord, then Landlord may (but shall not be required to) procure said insurance on Tenant’s behalf and charge Tenant the cost thereof, which amount shall be payable by Tenant upon demand with interest (at the rate set forth in Section 20(e) below) from the date such sums are expended. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant, provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(c) Landlord’s Insurance. Landlord shall, as a cost to be included in Operating Costs, procure and maintain at all times during the Term of this Lease, a policy or policies of insurance covering loss or damage to the Project in the amount of the full replacement cost without deduction for depreciation thereof, providing protection against all perils included within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage, and special extended coverage on the building. Additionally, Landlord may carry: (i) Bodily Injury and Property Damage Liability Insurance and/or Excess Liability Coverage Insurance; and (ii) Earthquake and/or Flood Damage Insurance; and (iii) Rental Income Insurance; and (iv) any other forms of insurance that any lender may require; provided, however, Landlord shall carry and maintain at all times during the term of this Lease, the insurance required by Landlord’s lender. The costs of all third party insurance carried by Landlord for the Project shall be included in Operating Costs. Such insurance may be provided by group or blanket policies carried by Landlord.

(d) Waiver of Subrogation. Landlord and Tenant each agree to require their respective insurers issuing the insurance described in Sections 14(a)(ii), 14(a)(iv) and the first sentence of Section 14(c), to waive any rights of subrogation that such companies may have against the other party. Tenant hereby waives any right that Tenant may have against Landlord and Landlord hereby waives any right that Landlord may have against Tenant as a result of any loss or damage to the extent such loss or damage is insurable under such policies.

(e) Compliance with Insurance Requirements. Tenant agrees to pay Landlord forthwith upon demand the amount of Tenant’s Proportionate Share of any increase in premiums for insurance that may be carried during the Term of this Lease, or the amount of insurance to be carried by Landlord on the Project resulting from the foregoing, or from Tenant doing any act in or about the Premises that does so increase the insurance rates, whether or not Landlord shall have consented to such act on the part of Tenant. Tenant, at Tenant’s expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body. Tenant shall also provide Landlord and Landlord’s insurer(s) with such information regarding the use of the Premises and any damage to the Premises as they may require in connection with the placement of insurance for the Premises or the adjusting of any losses to the Premises. If Tenant installs upon the Premises any electrical equipment which causes an overload of electrical lines of the Premises, Tenant shall at its own cost and expense, in accordance with all other Lease provisions (specifically including, but not limited to, the provisions of Article 9, 10 and 11 hereof), make whatever changes are
necessary to comply with requirements of the insurance underwriters and any governmental authority having jurisdiction thereover, but nothing herein contained shall be deemed to constitute Landlord’s consent to such overloading. Tenant shall, at its own expense, comply with all insurance requirements required by law and applicable to the Premises including, without limitation, the installation of fire extinguishers or an automatic dry chemical extinguishing system.

ARTICLE 15
ASSIGNMENT AND SUBLETTING

Tenant shall have no power to, either voluntarily, involuntarily, by operation of law or otherwise, sell, assign, transfer or hypothecate this Lease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be used or occupied by anyone other than Tenant or Tenant’s employees without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Tenant is a corporation, unincorporated association, partnership or limited liability company, the sale, assignment, transfer or hypothecation of any class of stock or other ownership interest in Tenant in excess of fifty percent (50%) in the aggregate shall be deemed a “Transfer” within the meaning and provisions of this Article 15. Tenant may transfer its interest pursuant to this Lease only upon the following express conditions, which conditions are agreed by Landlord and Tenant to be reasonable:

(a) That the proposed Transferee (as hereafter defined) shall be subject to the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed but, without limiting the generality of the foregoing, it shall be reasonable for Landlord to deny such consent if:

(i) The use to be made of the Premises by the proposed Transferee is (A) intentionally deleted, or (B) a use which conflicts with any so-called “exclusive” then in favor of another tenant of the Project, or (C) a use that is not compatible with any existing certification of the Project under the LEED rating system (or other applicable certification standard), or (D) a use which would be prohibited by any other portion of this Lease (including but not limited to any Rules and Regulations then in effect), or (E) a use other than the Permitted Use;

(ii) The financial ability of the proposed Transferee to perform its obligations under the Transfer is not reasonably satisfactory to Landlord. Landlord agrees to take into consideration the shorter remaining term of the Lease and the fact that Tenant shall not be released from its obligations under this Lease. Additionally, Landlord agrees that if the proposed Transferee has a net worth at least equal to Tenant’s net worth as of the Effective Date, then Landlord shall not withhold its consent based on the proposed Transferee’s financial ability;

(iii) The proposed Transferee is either a governmental agency or instrumentality thereof;

(iv) Either the proposed Transferee or any person or entity which directly or indirectly controls, is controlled by or is under common control with the proposed Transferee (A) occupies space in the Project, or (B) is negotiating with Landlord or has negotiated with Landlord during the six (6) month period immediately preceding the date of the proposed Transfer, to lease space in the Project; provided, however, the foregoing restriction shall only apply if Landlord then has (or is expected to have within three (3) months following the effective date of the proposed Transfer) vacant space in the Project similar to the proposed space to be assigned or sublet by Tenant to accommodate the proposed Transferee. “Similar” shall include similar in size, improvements, and length of term sought by the proposed Transferee; or

(v) Intentionally deleted.

(b) Upon Tenant’s submission of a request for Landlord’s consent to any such Transfer, Tenant shall pay to Landlord Landlord’s then standard processing fee and reasonable attorneys’ fees and costs incurred in connection with the proposed Transfer, which the parties hereby stipulate to be $3,000.00 unless extensive negotiations are involved with Landlord;

(c) Any sublease shall be subject to the terms and conditions of this Lease (except as otherwise set forth in the form of assignment or subletting as between Tenant and such transferee only) and in the case of an assignment in which the Tenant entity changes, the proposed Transferee shall execute an agreement pursuant to which it shall agree to perform faithfully and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease applicable to that portion of the Premises so transferred; and
(d) That an executed duplicate original of said assignment and assumption agreement or other Transfer documentation on a form reasonably approved by Landlord, shall be delivered to Landlord within five (5) days after the execution thereof, and that such Transfer shall not be binding upon Landlord until the delivery thereof to Landlord and the execution and delivery of Landlord’s consent thereto. It shall be a condition to Landlord’s consent to any subleasing, assignment or other transfer of part or all of Tenant’s interest in the Premises (“Transfer”) that (i) upon Landlord’s consent to any Transfer, Tenant shall pay and continue to pay Landlord fifty percent (50%) of any “Transfer Premium” (defined below), received by Tenant from the Transferee; (ii) any sublessee of part or all of Tenant’s interest in the Premises shall agree that in the event Landlord gives such sublessee notice that Tenant is in an Event of Default under this Lease, such sublessee shall thereafter make all sublease or other payments directly to Landlord, which will be received by Landlord without any liability whether to honor the sublease or otherwise (except to credit such payments against sums due under this Lease), and any sublessee shall agree to attorn to Landlord or its successors and assigns at their request should this Lease be terminated for any reason, except that in no event shall Landlord or its successors or assigns be obligated to accept such attornment, but such attornment shall be pursuant to the terms and conditions (including rent – but without any waiver of Claims by Landlord against Tenant and it being agreed that the sublease shall be subordinate to this Lease as set forth above) set forth in the sublease; (iii) any consent to a Transfer shall be effected on forms supplied by Landlord and/or its legal counsel but subject to reasonable revisions agreed upon by the signatories thereto; (iv) Landlord may require that Tenant not then be in a monetary or material non-monetary Event of Default hereunder in any respect; and (v) Tenant or the proposed subtenant or assignee (collectively, “Transferee”) shall agree to pay Landlord, within ten (10) business days following receipt of written demand therefor, as Additional Rent, a sum equal to the additional, reasonable documented costs, if any, incurred by Landlord for maintenance and repair to the extent necessitate by any change in the nature of occupancy caused by such subletting or assignment. “Transfer Premium” shall mean all rent, Additional Rent or other consideration payable by a Transferee in connection with a Transfer in excess of the Basic Rental and Direct Costs payable by Tenant under this Lease during the term of the Transfer and if such Transfer is for less than all of the Premises, the Transfer Premium shall be calculated on a rentable square foot basis. In any event, the Transfer Premium shall be calculated after deducting the reasonable out-of-pocket expenses incurred by Tenant, including, but not limited to, for (1) any changes, alterations and improvements to the Premises paid for by Tenant and approved by Landlord in connection with this Transfer, (2) any other leasing or subleasing concessions provided by Tenant to the Transferee (e.g. free rent, allowances, etc.), (3) any brokerage commissions paid for by Tenant in connection with the Transfer, and (4) any other out-of-pocket costs incurred by Tenant which are reasonably associated with the Transfer.

The calculation of “Transfer Premium” shall also include, but not be limited to, key money, bonus money or other cash consideration paid by a Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to the Transferee and any payment in excess of fair market value for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the Transferee in connection with such Transfer; provided, however Landlord agrees that no amount shall be deemed in excess of fair market value if it is the same amount paid by Tenant for such category of costs pursuant to the terms of this Lease. Any Transfer of this Lease which is not in compliance with the provisions of this Article 15 shall be voidable by written notice from Landlord and, unless the violation is due to procedural failure only and is cured within the applicable cure period, shall, at the option of Landlord, terminate this Lease. In no event shall the consent by Landlord to any Transfer be construed as relieving Tenant or any Transferee from obtaining the express written consent of Landlord to any further Transfer, or as releasing Tenant from any liability or obligation hereunder whether or not then accrued and Tenant shall continue to be fully liable therefor. No collection or acceptance of rent by Landlord from any person other than Tenant shall be deemed a waiver of any provision of this Article 15 or the acceptance of any Transferee hereunder, or a release of Tenant (or of any Transferee of Tenant). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under this Article 15 or otherwise has breached or acted unreasonably under this Article 15, then their remedies shall be a declaratory judgment, an injunction for the relief sought and/or actual monetary damages (including, without limitation, the basic rental that Tenant would have received under the proposed sublease, assignment or other Transfer document for up to one (1) year, provided that the basic rental payable by such Transferee does not exceed the lesser of (aa) the basic rental then payable by Tenant hereunder calculated on a per rentable square foot basis and (bb) the then applicable Market Rent applicable to the Project), and Tenant hereby waives any right at law or equity to terminate this Lease.

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(e) Notwithstanding anything to the contrary contained in this Article 15, except with respect to any assignment or sublease to an Affiliate as provided in the Section 15(g) below Landlord shall have the option, by giving written notice to Tenant within fifteen (15) days after Landlord’s receipt of a request for consent to a proposed Transfer, to terminate this Lease as to the portion of the Premises that is the subject of the proposed Transfer, provided that (a) in the case of a sublease, Tenant is then subleasing at least fifty percent (50%) of the square footage of the Premises and such sublease is for at least ninety percent (90%) of the then-remaining Term, or (b) Tenant is assigning the Lease in its entirety. If this Lease is so terminated with respect to less than the entire Premises, (i) the Basic Rental and Tenant’s Proportionate Share shall be prorated based on the number of rentable square feet retained by Tenant as compared to the total number of rentable square feet previously contained in the Premises, (ii) this Lease as so amended shall continue thereafter in full force and effect, and upon the request of either party, the parties shall execute written confirmation of the same, and (iii) Landlord shall be solely responsible for the cost of any demising walls or other modifications, alterations, or improvements required to appropriately demise the portion of the Premises so terminated from the Lease. Landlord and Tenant agree to reasonably cooperate with the other in connection with scheduling and performing any work required to so demise a portion of the Premises following a termination by Landlord as provided herein, the parties agreeing that such work shall be performed by Landlord at its sole cost and expense.

(f) If Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give Landlord written notice no later than thirty (30) days nor earlier than one hundred twenty (120) days in advance of the proposed effective date of such proposed Transfer, which notice shall specify the material terms of the proposed Transfer, including following information (such information shall be collectively referred to as the “Required Information”) (i) the name, current address and business of the proposed Transferee, (ii) the amount and location of the space within the Premises proposed to be so subleased, (iii) the proposed effective date and duration of the Transfer, (iv) the proposed rent and other consideration to be paid to Tenant by such proposed Transferee, (v) and, if this Lease is being transferred or assigned to a company that is not a publicly-traded company on a nationally recognized stock exchange, the most recent year-end unconsolidated financial statements reflecting such transferee’s or assignee’s current financial condition, audited by an accounting firm (or, if audited financials are not available, certified by such transferee’s or assignee’s chief executive officer, president, chief financial officer, chief accounting officer or similar executive officer) and (vi) the proposed form of the assignment or sublease (which does not have to be signed but should be in final form). Tenant also shall promptly supply Landlord with financial statements and other information as Landlord may reasonably request to evaluate the proposed assignment or sublease. Landlord shall grant or deny a request for Landlord’s consent (together with an explanation of the reasons for such denial) within twenty (20) days following Landlord’s receipt of the Transfer notice from Tenant as set forth above with the Required Information (the “Review Period”). If Landlord fails to notify Tenant in writing of such approval or disapproval within the Review Period, then Tenant may send Landlord a second notice (a “Second Transfer Notice”) to Landlord requesting a response to Tenant’s initial Transfer notice, which Second Transfer Notice shall include the following legend in capitalized and bold type displayed prominently on the top of the first page of such notice: “LANDLORD HAS FAILED TO RESPOND TO A TRANSFER NOTICE RELATING TO THE LEASE DATED DECEMBER 29, 2020 BETWEEN LANDLORD AND TENANT FOR THE PROPERTY KNOWN AS INNOVATION PARK LOCATED AT 4 CORPORATE DRIVE, ANDOVER, MASSACHUSETTS (THE “LEASE”) PURSUANT TO THE TERMS OF THE LEASE. FAILURE OF LANDLORD TO RESPOND TO THIS SECOND TRANSFER NOTICE WITHIN TEN (10) DAYS FOLLOWING THIS NOTICE SHALL CONSTITUTE LANDLORD’S APPROVAL OF THE TRANSFER.” Both Tenant’s initial Transfer notice and the Second Transfer Notice shall be delivered in accordance with the notice provisions of this Lease and if Landlord fails to respond within ten (10) days of the date of its receipt of the Second Transfer Notice, then such failure shall be deemed to constitute Landlord’s consent to Tenant’s request for consent to the proposed Transfer.

(g) The term “Affiliate” shall mean (i) any entity that is controlled by, controls or is under common control with, Tenant or (ii) any entity that merges or consolidates with, is acquired by, or purchases all or a majority of Tenant’s stock or assets, and the entity to become the Tenant under the Lease pursuant to such transaction and as of the date such transaction is completed has either (x) a net worth not less than that of Tenant as of the date of this Lease calculated under
generally accepted accounting principles or (y) otherwise adequate financial resources to meet the obligations of Tenant under this Lease (as reasonably determined by Landlord). Notwithstanding anything to the contrary contained in this Article 15, provided Tenant is not in a monetary or material non-monetary default under this Lease (beyond all applicable notice and cure periods), an assignment or subletting of all or a portion of the Premises to an Affiliated Assignee shall not be deemed a Transfer under this Article 15 and shall not require Landlord’s consent, provided that Tenant notifies Landlord of such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such assignment or sublease or such affiliate, and further provided that such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease. An assignee of Tenant’s entire interest in this Lease pursuant to the immediately preceding sentence may be referred to herein as an “Affiliated Assignee.” “Control,” as used in this Article 15, shall mean the ownership, directly or indirectly, of greater than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of greater than fifty percent (50%) of the voting interest in, an entity. In addition to the foregoing, the following shall not be deemed a Transfer and shall not require Landlord’s consent: (a) a name change of the Tenant entity, (b) a reverse triangular merger involving Tenant but in which the Tenant entity survives, (c) a sale or other transfer of shares of stock (or any member interest if Tenant is a limited liability company) in Tenant in connection with an initial public offering of Tenant’s stock on a nationally-recognized stock exchange; (d) an infusion of additional equity capital in Tenant, a follow-on stock offering, or a sale or transfer of shares of stock in connection with a bona fide financing for the benefit of Tenant; (e) the sale or transfer of any stock being traded on a national securities exchange, including, but not limited to, the NYSE, the NASDAQ Stock Market, and the NASDAQ Small Cap Market System. Sections 15(b),(d), (e) shall not apply to a Transfer to an Affiliate not requiring Landlord’s consent as set forth in this Section 15(g).

(h) Notwithstanding anything in this Lease to the contrary, provided there does not exist an Event of Default by Tenant hereunder, without being subject to Landlord’s rights and Tenant’s obligations set forth in this Article 15, upon not less than ten (10) days’ prior written notice thereof to Landlord and provided that Tenant also promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such sublease(s), but without Landlord’s consent, Tenant may permit Office Sharing (as hereinafter defined) of up to a total of ten percent (10%) of the rentable square feet of the Premises, without the same constituting a Transfer within the meaning of this Article 15. The term “Office Sharing” shall mean the use of portions of the Premises, without separate demising of walls (nor shall any Shared User(s) be permitted to maintain a separate reception area in the Premises), by occupants that have an on-going business relationship with Tenant such as current clients, vendors and contractors of Tenant (the “Shared User(s)”) pursuant to a written license or other written occupancy agreement. Notwithstanding the foregoing, Tenant shall not have the right to engage in Office Sharing with any entity (i) if the proposed Shared User is engaged in a business, or if it would result in the Premises being used in a manner, that is inconsistent with character of the Building as a first-class office and laboratory project; or (ii) the proposed use of the Premises is not in compliance with the Permitted Use; or (iii) any entity that would result in a material increase in traffic in the common areas of the Project over the amount of such traffic that would be generated if Tenant itself occupied such portion of the Premises. For purposes of this Lease, the acts or omissions of the employees or other personnel of persons or entities engaged in Office Sharing shall be deemed to be the acts or omissions (as applicable) of Tenant’s employees. However, any Office Sharing which would result in an aggregate amount of space which is greater than ten percent (10%) of the rentable square feet of the Premises to be subject to Office Sharing, shall require Landlord’s prior written consent and shall be deemed a Transfer under this Article 15 (unless otherwise deemed to not be a Transfer pursuant to the express terms of Subsection (g) of this Lease above).

ARTICLE 16
DAMAGE OR DESTRUCTION

Within sixty (60) days after the date Landlord learns of the necessity for repairs as a result of damage, Landlord shall notify Tenant (“Damage Repair Estimate”) of Landlord’s estimated assessment of the period of time in which the repairs will be completed. If the Project is damaged by fire or other insured casualty and the insurance proceeds have been made available therefor by the holder or holders of any mortgages or deeds of trust covering the Premises or the Project, the damage shall be diligently and expeditiously repaired by Landlord to the extent such insurance proceeds are available therefor and provided that the Damage Repair Estimate indicates that such repairs can be completed within two hundred seventy (270) days after the necessity for repairs as a result of such damage becomes known to Landlord, without the payment of overtime or other
premiums, and until such repairs are completed rent shall be abated in proportion to the part of the Premises which is unusable by Tenant in the conduct of its business (but there shall be no abatement of rent by reason of any portion of the Premises being unusable for a period equal to one (1) day or less). However, if the damage is due to the negligence or willful misconduct of Tenant, its employees, agents, contractors, guests, invitees and the like, there shall be no abatement of rent, unless and to the extent Landlord receives rental income insurance proceeds. Upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Section 14(a)(iii)(A) above; provided, however, that if the cost of repair of improvements within the Premises by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant’s insurance carrier, as so assigned by Tenant, such excess costs shall be paid by Tenant to Landlord prior to Landlord’s repair of such damage (unless such damage is due to the negligence or willful misconduct of Landlord or Landlord Parties, in such case, Landlord shall be responsible for such excess costs but subject to the waivers described in Section 14(d) above). If repairs cannot, in Landlord’s opinion, be completed within two hundred seventy (270) days after the necessity for repairs as a result of such damage becomes known to Landlord without the payment of overtime or other premiums, Landlord may, at its option, either (i) diligently and expeditiously make such repairs in a reasonable time and in such event this Lease shall continue in effect and the rent shall be abated, if at all, in the manner provided in this Article 16, or (ii) elect not to effect such repairs and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after Landlord learns of the necessity for repairs as a result of damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises. In addition, Landlord may elect to terminate this Lease if the Project shall be damaged by fire or other casualty, whether or not the Premises are affected, if the deficiency between Landlord’s reasonably estimated cost to repair such damage and the available insurance proceeds therefor (assuming for purposes of such determination, that Landlord has obtained at a minimum all insurance required under Section 14(c) above and that the amount of any deductible is included in available insurance proceeds) exceeds Seventy Million Five Hundred Thousand Dollars ($7,500,000.00), but Tenant, at its election, may void Landlord’s election to so terminate this Lease by agreeing to fund that portion of the deficiency in excess of Seven Million Five Hundred Thousand Dollars ($7,500,000.00). Any such election by Tenant must be made, if at all, by written notice to Landlord within thirty (30) days after Landlord’s notice to Tenant that Landlord elects to so terminate this Lease pursuant to the immediately preceding sentence. However, if Landlord does not elect to terminate this Lease pursuant to Landlord’s termination right as provided above, and the Damage Repair Estimate indicates that repairs cannot be completed within one (1) year after the necessity for repairs as a result of such damage becomes known to Landlord or Landlord fails to complete the repairs within such one (1) year period, then Tenant may elect, not later than sixty (60) days after Tenant’s receipt of the Damage Repair Estimate, to terminate this Lease by written notice to Landlord effective as of the date specified in Tenant’s notice. Finally, if the Premises or the Project is damaged so that more than twenty-five percent (25%) of the Premises (or a critical area of the Premises, even if such space comprises less than 25% of the Premises) is unusable during the last twelve (12) months of the Term, then notwithstanding anything contained in this Article 16 to the contrary, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within sixty (60) days after Landlord learns of the necessity for repairs as the result of such damage. In the event that the Premises or the Project is destroyed or damaged to any substantial extent during the last twelve (12) months of the Term and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant’s employees, licensees, invitees or agents, then notwithstanding anything in this Article 16 to the contrary, Tenant shall have the option to terminate this Lease by written notice to Landlord of the exercise of such option within sixty (60) days after Tenant learns of the necessity for repairs as the result of such damage. A total destruction of the Project shall automatically terminate this Lease. Tenant understands that Landlord will not carry insurance of any kind on Tenant’s furniture, furnishings, trade fixtures or equipment, and that Landlord shall not be obligated to repair any damage thereto or replace the same, unless such damage was caused by the gross negligence or willful misconduct of Landlord or any Landlord Party (but subject to the waivers set forth in Section 14(d)). Tenant acknowledges that Tenant shall have no right to any proceeds of insurance carried by Landlord relating to property damage. With respect to any damage which Landlord is obligated to repair or elects to repair, Tenant, as a material inducement to Landlord entering into this Lease, irrevocably waives and releases its rights under any present or future Law that purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement is hereby waived by the parties and shall have no application.

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ARTICLE 17
SUBORDINATION

This Lease is subject to, and Tenant agrees to comply with, all matters of record affecting the Real Property. This Lease is also subject and subordinate to all existing and future ground or underlying leases, mortgages and deeds of trust which affect the Real Property, including all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, if the lessor under any such lease or the holder or holders of any such mortgage or deed of trust shall advise Landlord that they desire or require this Lease to be prior and superior thereto, upon written request of Landlord to Tenant, Tenant agrees to promptly execute, acknowledge and deliver any and all commercially reasonable and customary documents or instruments which Landlord or such lessor, holder or holders reasonably deem necessary or desirable for purposes thereof. Provided the applicable mortgagee delivers to Tenant a commercially reasonable nondisturbance agreement on such form agreeing that so long as no Event of Default by Tenant exists under this Lease, such mortgagee or any purchaser in a foreclosure sale shall recognize Tenant’s possession of the Premises and Tenant’s rights under this Lease shall not be disturbed and shall be honored by such mortgagee or purchaser Lease upon a foreclosure or deed in lieu thereof (or termination of any such ground lease), this Lease shall be subject and subordinate to the provisions, operation and effect of said lien. Tenant agrees that in the event any proceedings are brought for the foreclosure of any mortgage or deed of trust or any deed in lieu thereof, to attorn to the mortgagee under such mortgage or deed of trust, such mortgagee’s successor purchaser or any of their successors or assigns upon any such foreclosure sale or deed in lieu thereof as so requested to do so by such purchaser and to recognize such purchaser as the lessor under this Lease; provided, however, that such mortgagee or its successor shall not be liable for or bound by (i) any payment of any rent installment which may have been made more than thirty (30) days before the due date of such installment, (ii) any act or omission of or default by Landlord under this Lease (but such mortgagee, or such successor, shall be subject to the continuing obligations of Landlord under this Lease to the extent arising from and after such succession to the extent of such mortgagee’s or such successor’s interest in the Project), (iii) any credit, claims, setoffs or defenses which Tenant may have against Landlord, (iv) any modification or amendment to this Lease for which such mortgagee’s consent is required, but has not been obtained, under a mortgage or deed of trust (other than amendments or modifications specifically contemplated by this Lease which only document the exercise by Tenant of rights granted in this Lease) or (v) any obligation under this Lease to maintain a fitness facility at the Project, if any. Tenant, upon the reasonable request by such mortgagee or such successor in interest, shall execute and deliver within ten (10) business days of such request a commercially reasonable and customary instrument or instruments confirming such attornment. Tenant agrees to provide copies of any notices of Landlord’s default under this Lease to any mortgagee, deed of trust beneficiary and mezzanine lender whose address has been provided to Tenant and Tenant shall provide such mortgagee, deed of trust beneficiary and mezzanine lender a commercially reasonable time after receipt of such notice within which to cure any such default. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. As a condition precedent to the future subordination of this Lease to a future mortgage or deed of trust, Landlord shall be required to provide Tenant with a non-disturbance, subordination, and attornment agreement in favor of Tenant from any mortgagee or beneficiary who comes into existence after the first to occur of the Pod 4 Portion Commencement Date or Pod 5 Portion Commencement Date, as the case may be. Such non-disturbance, subordination, and attornment agreement in favor of Tenant shall provide that, so long as Tenant is paying the rent due under this Lease and is not otherwise in default under this Lease beyond any applicable cure period, its right to possession and the other terms of the Lease shall remain in full force and effect. Landlord represents that, as of the date of this Lease, there is no mortgage or deed of trust encumbering the Project.

ARTICLE 18
EMINENT DOMAIN

If the whole of the Premises or the Project or so much thereof as to render the balance unusable by Tenant (in Tenant’s sole discretion) shall be taken under power of eminent domain, or is sold, transferred or conveyed in lieu thereof, this Lease shall automatically terminate as of the date of such condemnation, or as of the date possession is taken by the condemning authority, at Landlord’s option. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part

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thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for the taking of personal property and trade fixtures belonging to Tenant and removable by Tenant at the expiration of the Term hereof as provided hereunder or for the interruption of, or damage to, Tenant's business. Further, nothing contained herein, however, shall prevent Tenant from pursuing a separate award from the authority for such items and relocation expenses. In the event of a partial taking described in this Article 18, or a sale, transfer or conveyance in lieu thereof, which does not result in a termination of this Lease, the rent shall be apportioned according to the ratio that the part of the Premises remaining useable by Tenant bears to the total area of the Premises. Any governmental action requiring businesses to close temporarily shall not be considered a condemnation or eminent domain hereunder, and any governmental action for the purpose of protecting public safety (e.g., to protect against acts of war, the spread of communicable diseases, or an infestation) shall not be considered a temporary taking for “public use” entitling Tenant to any government compensation, rental abatement or other remedy. Tenant hereby waives any and all rights it might otherwise have pursuant to Massachusetts law to the extent inconsistent with the terms hereof.

ARTICLE 19
DEFAULT

(a) Tenant’s Default. Each of the following acts or omissions of Tenant, or occurrences, shall constitute an “Event of Default”:

(i) Failure or refusal to pay Basic Rental, Additional Rent or any other amount to be paid by Tenant to Landlord hereunder within ten (10) calendar days after written notice that the same is delinquent;

(ii) Except as set forth in items (i) above and (iii) through and including (vii) below, failure to perform or observe any other covenant or condition of this Lease to be performed or observed within thirty (30) days following written notice to Tenant of such failure; provided, however, that if such cure cannot reasonably be effected within such thirty (30) day period and Tenant begins such cure promptly within such thirty (30) day period and is pursuing such cure in good faith and with diligence and continuity during such thirty (30) day period, then, except in the event of an emergency, Tenant shall have such additional time as is reasonably necessary to effect such cure.

(iii) Tenant’s failure to observe or perform according to the provisions of Articles 17 or 25 within ten (10) business days after written notice from Landlord that Tenant has so breached.

(iv) The taking in execution or by similar process or law (other than by eminent domain) of the estate hereby created;

(v) The filing by Tenant in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement for the appointment of a receiver of all or a portion of Tenant’s property; the filing against Tenant of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Tenant, or of any of the property of Tenant, or a proceeding by any governmental authority for the dissolution or liquidation of Tenant, if such proceeding shall not be dismissed or trusteeship discontinued within thirty (30) days after commencement of such proceeding or the appointment of such trustee or receiver; or the making by Tenant of an assignment for the benefit of creditors. Tenant hereby stipulates to the lifting of the automatic stay in effect and relief from such stay for Landlord in the event Tenant files a petition under the United States Bankruptcy laws, for the purpose of Landlord pursuing its rights and remedies against Tenant; or

(vi) Tenant’s failure to cause to be released any mechanics liens filed against the Premises or the Project within twenty (20) days after the date Tenant is notified that the same shall have been filed or recorded.

(b) Landlord’s Default. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord’s failure to perform; provided, however, 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 under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. In addition, notwithstanding any provision set forth in this Lease to the contrary, if Tenant provides written notice ("Repair Notice") to Landlord of an event or circumstance which requires the action of Landlord under Section 9(a) of this Lease, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the receipt of such notice, but in no event earlier than thirty (30) days after Landlord's receipt of such notice, then Tenant may proceed to take the required action upon delivery of an additional ten (10) business days’ notice to Landlord specifying that Tenant is taking such required action, and if such action was required under the terms of this Lease to be taken by Landlord and was not taken by Landlord within such ten (10) business day period, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant’s actual and reasonable costs in taking such action. Notwithstanding the foregoing, if Tenant so indicates in Tenant’s Repair Notice to Landlord that the required repair is essential to Tenant’s day-to-day business operations, then (i) Landlord agrees to commence such repairs within a commercially reasonable expeditious period of time, and (ii) if Landlord fails to commence such repairs within five (5) days after such Repair Notice from Tenant or Landlord fails to diligently prosecute such repairs to completion, Tenant may proceed to take the required action upon delivery of an additional two (2) business days’ notice to Landlord specifying that Tenant is taking such required action, and if such action was required under the terms of this Lease to be taken by Landlord and was not taken by Landlord within such two (2) business day period, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant’s actual and reasonable cost in taking such action. If the work so performed by Tenant pursuant to this Section 9(b) pertains to items that would otherwise be includable in Direct Costs pursuant to Article 3 above, then Landlord may include the amount of such reimbursement in Direct Costs.

ARTICLE 20
REMEDIES

(a) Upon the occurrence of an Event of Default under this Lease as provided in Article 19 hereof, Landlord may exercise all of its remedies as may be permitted by law and including without limitation, terminating this Lease, reentering the Premises and removing all persons and property therefrom, which property may be stored by Landlord at a warehouse or elsewhere at the risk, expense and for the account of Tenant. If Landlord elects to terminate this Lease, Landlord shall be entitled to recover from Tenant the aggregate of all amounts permitted by law, including but not limited to the sum of (i) the worth at the time of award of any unpaid Rent that had accrued at the time of such termination; plus (ii) the actual out-of-pocket verifiable costs of restoring the Premises to the condition required under the terms of this Lease; plus, (iii) an amount (the "Election Amount") equal to either (A) 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 fair market rental value of the Premises as reasonably 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 or (B) 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 an Event of Default, 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 item (i), above, the "worth at the time of award" shall be computed by allowing interest at the "Bank Prime Loan" rate set forth by the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point per annum, but in no case greater than the maximum amount of such interest permitted by law.

(b) Nothing in this Article 20 shall be deemed to affect Landlord’s right to indemnification for liability or liabilities arising prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease.
(c) Notwithstanding anything to the contrary set forth herein, Landlord’s re-entry to perform acts of maintenance or preservation of or in connection with efforts to relet the Premises or any portion thereof, or the appointment of a receiver upon Landlord’s initiative to protect Landlord’s interest under this Lease shall not terminate Tenant’s right to possession of the Premises or any portion thereof and, until Landlord does elect to terminate this Lease, this Lease shall continue in full force and effect and Landlord may enforce all of Landlord’s rights and remedies hereunder. Accordingly, if Landlord does not elect to terminate this Lease on account of any Event of Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due; provided that Landlord shall, during such period, use reasonable efforts to relet the Premises to the extent required by applicable law but in any event Landlord agrees to list the space with a nationally recognized broker in generally the same manner that it lists other available space at the Project.

(d) All rights, powers and remedies of Landlord hereunder and under any other agreement now or hereafter in force between Landlord and Tenant shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Landlord by law, and the exercise of one or more rights or remedies shall not impair Landlord’s right to exercise any other right or remedy. In addition, in the event of any eviction moratorium, to the extent otherwise allowed by law, Landlord may keep this Lease in effect and sue for rent damages and otherwise exercise Landlord’s rights and remedies under this Lease including, without limitation, Landlord’s right to apply or draw upon any security deposit, letter of credit or other security enhancements.

(e) Any amount due from Tenant to Landlord hereunder which is not paid when due shall bear interest at the lower of ten percent (10%) per annum or the maximum lawful rate of interest from the due date until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease. In addition to such interest: (i) if Basic Rental is not paid on or before the fifth (5th) day of the calendar month for which the same is due, a late charge equal to five percent (5%) of the amount overdue or $100, whichever is greater, shall be immediately due and owing and shall accrue for each calendar month or part thereof until such rental, including the late charge, is paid in full, which late charge Tenant hereby agrees is a reasonable estimate of the damages Landlord shall suffer as a result of Tenant’s late payment and (ii) an additional charge of $25 shall be assessed for any check given to Landlord by or on behalf of Tenant which is not honored by the drawee thereof; which damages include Landlord’s additional administrative and other costs associated with such late payment and unsatisfied checks and the parties agree that it would be impracticable or extremely difficult to fix Landlord’s actual damage in such event. Such charges for interest and late payments and unsatisfied checks are separate and cumulative and are in addition to and shall not diminish or represent a substitute for any or all of Landlord’s rights or remedies under any other provision of this Lease.

(f) In the event of any default, breach or violation of Tenant’s rights under this Lease by Landlord, Tenant’s exclusive remedies shall be an action for specific performance, action for monetary damages, and those remedies provided in Section 19(b).

ARTICLE 21
TRANSFER OF LANDLORD’S INTEREST

In the event of any transfer or termination of Landlord’s interest in the Premises or the Project by sale, assignment, transfer, foreclosure, deed-in-lies of foreclosure or otherwise whether voluntary or involuntary, Landlord shall be automatically relieved of any and all obligations and liabilities on the part of Landlord first arising from and after the date of such transfer or termination, including furthermore without limitation, the obligation of Landlord under Article 4 above to return the security deposit, provided said security deposit is transferred to said transferee and Tenant agrees to look solely to such transferee for the performance of Landlord’s obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord. Tenant agrees to attorn to the transferee upon any such transfer and to recognize such transferee as the lessor under this Lease and Tenant shall, within ten (10) days after request, execute such further commercially reasonable and customary instruments or assurances as such transferee may reasonably deem necessary to evidence or confirm such attornment.
ARTICLE 22
BROKER

In connection with this Lease, Landlord and Tenant each warrant and represent that it has had dealings only with firm(s) set forth in Article 1.H. of the Basic Lease Provisions (whose commissions and fees shall be paid by Landlord pursuant to a separate agreement) and that it knows of no other person or entity who is or might be entitled to a commission, finder’s fee or other like payment in connection herewith due to its dealings with such person or entity, Landlord and Tenant each agree to indemnify and hold the other party, its agents, members, partners, representatives, officers, affiliates, shareholders, employees, successors and assigns harmless from and against any and all loss, liability and expenses that the other party may incur should the Landlord’s or Tenant’s, as applicable, warranty and representation prove incorrect, inaccurate or false.

ARTICLE 23
PARKING

Tenant shall commencing on the earlier of the Pod 4 Portion Commencement Date with respect to the Pod 4 Portion of the Premises and the Pod 5 Portion Commencement Date with respect to the Pod 5 Portion of the Premises and, Tenant shall have the right to access and use the number of unreserved parking passes set forth in Article 1.I. of the Basic Lease Provisions, which parking passes shall pertain to the Project parking facility and shall be apportioned to the Pod 4 Portion and Pod 5 Portion as applicable until both Pod 4 Portion Commencement Date and Pod 5 Commencement Date have occurred. Tenant may elect to convert up to ten (10) of the unreserved parking passes set forth in Article 1.I. to reserved parking stalls at the locations designated on Exhibit “H” attached hereto and made a part hereof. Tenant shall, by written notice (“Parking Notice”) to Landlord, indicate the number of unreserved parking passes Tenant elects to convert into reserved parking stalls in the Project parking facility. Tenant’s shall abide by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord. Tenant shall cooperate with Landlord in seeing that Tenant’s employees and visitors also comply with such rules and regulations. During the initial Term, Landlord shall not charge Tenant any cost, fee, or expense, other than as may be included as part of Tenant’s Proportionate Share of Direct Costs, for Tenant’s unreserved and reserved parking passes. However, Tenant shall be responsible at all times during the Term for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. As of the date of this Lease, Landlord is unaware of any such taxes currently being imposed. If Landlord installs parking controls for the Project that are different from the Building access cards, then Landlord shall provide Tenant with access cards to the parking facilities for its employees based upon Tenant’s allotted parking as provided in this Lease and at no cost for the initial provision.

Landlord specifically reserves the right to (i) designate certain areas of the parking facility as reserved for certain occupants or visitors, or (ii) with at least ten (10) business days’ prior written notice, change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of rent under this Lease, from time to time, close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements, provided that (aa) Tenant’s access to the parking facility is not materially, adversely impaired on a more than temporary basis and (bb) Landlord shall use commercially reasonable good faith and diligent efforts provide Tenant (at no cost to Tenant) with alternate parking during any such restricted access period within reasonable proximity to the Project.

Landlord may delegate its responsibilities hereunder to a parking operator or a lessee of the parking facility in which case such parking operator or lessee shall have all the rights of control attributed hereby to the Landlord, provided that such delegation shall not materially and adversely affect Tenant’s rights or obligations under this Lease. The parking passes rented by Tenant pursuant to this Article 23 are provided to Tenant solely for use by Tenant’s own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord’s prior approval, except in connection with permitted Transfer under Article 15 not requiring the consent of Landlord.
ARTICLE 24
WAIVER

No waiver by Landlord of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. No provision of this Lease may be waived by Landlord, except by an instrument in writing executed by Landlord. Landlord’s consent to or approval of any act by Tenant requiring Landlord’s consent or approval shall not be deemed to render unnecessary the obtaining of Landlord’s consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved. No act or thing done by Landlord or Landlord’s agents during the Term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord’s knowledge of such preceding breach at the time of acceptance of such rent. Any payment by Tenant or receipt by Landlord of an amount less than the total amount then due hereunder shall be deemed to be in partial payment only thereof and not a waiver of the balance due or an accord and satisfaction, notwithstanding any statement or endorsement to the contrary on any check or any other instrument delivered concurrently therewith or in reference thereto. Accordingly, Landlord may accept any such amount and negotiate any such check without prejudice to Landlord’s right to recover all balances due and owing and to pursue its other rights against Tenant under this Lease, regardless of whether Landlord makes any notation on such instrument of payment or otherwise notifies Tenant that such acceptance or negotiation is without prejudice to Landlord’s rights.

ARTICLE 25
ESTOPPEL CERTIFICATE

Tenant shall, at any time and from time to time, upon not less than ten (10) business days’ prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying the following information, (but not limited to the following information in the event further factual information is requested by Landlord): (i) 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 modified, is in full force and effect); (ii) the dates to which the rental and other charges are paid in advance, if any; (iii) the amount of Tenant’s security deposit, if any; and (iv) acknowledging that there are not, to Tenant’s knowledge, any uncured defaults on the part of Landlord hereunder and no events or conditions then in existence which, with the passage of time or notice or both, would constitute a default on the part of Landlord hereunder, or specifying such defaults, events or conditions, if any are claimed. It is expressly understood and agreed that any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Real Property. Furthermore, if Tenant fails to timely deliver an estoppel certificate to Landlord pursuant to the terms of this Article 25, then without limiting any other rights and remedies of Landlord, Landlord shall have the right to charge Tenant an amount equal to $250 per day for each day thereafter until Tenant delivers to Landlord an estoppel certificate pursuant to the terms hereof, but in no event more than $5,000.00. Tenant acknowledges and agrees that (A) such charge compensates Landlord for the administrative costs caused by the delinquency, and (B) Landlord’s damage would be difficult to compute and the amount stated above represents a reasonable estimate of such damage.

ARTICLE 26
LIABILITY OF LANDLORD

Notwithstanding anything in this Lease to the contrary, any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder or any claim, cause of action or obligation, contractual, statutory or otherwise by Tenant against Landlord or the Landlord Parties concerning, arising out of or relating to any matter relating to this Lease and all of the covenants and conditions or any obligations, contractual, statutory, or otherwise set forth herein, shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in and to the Project. No other property or assets of Landlord or any Landlord Party shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant’s remedies under or with respect to this Lease, Landlord’s obligations to Tenant, whether contractual, statutory or otherwise, the relationship of Landlord and Tenant hereunder, or Tenant’s use or occupancy of the Premises.

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ARTICLE 27
INABILITY TO PERFORM

This Lease and the obligations of Landlord and Tenant hereunder shall not be affected or impaired because a party is prevented from fulfilling any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of any prevention, delay, stoppage due to strikes, lockouts, acts of God, terrorism (or credible threat thereof), fire, earthquake, floods, hurricanes, tornadoes, explosion, action of the natural elements, war, hostilities, invasion, insurrection, riot, mob violence, sabotage, epidemic or pandemic (or credible threat thereof), eviction moratoria, public health emergencies, permitting delays by governmental agencies, inspection delays by governmental agencies, inability to procure or general shortage of labor, equipment, facilities, materials or supplies, failure of transportation, action of labor unions, condemnation, requisition, laws, orders of government or civil or military or naval authorities, or evacuation or, whether similar or dissimilar to the foregoing, any other cause previously, or at such time, beyond the reasonable control of the performing or obligated party (collectively, a "Force Majeure") and the time for performance of Landlord’s and Tenant’s obligations (excluding any monetary payments, such as, by way of example only, Basic Rental and the Allowance and Tenant’s obligation to vacate and surrender the Premises upon expiration or earlier termination of this Lease) under this Lease, including all Exhibits, shall be suspended for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention.

ARTICLE 28
HAZARDOUS WASTE

(a) Except for those chemicals or materials, and their respective quantities, specifically listed on the Environmental Questionnaire (defined in Section 28(f) below), Tenant shall not cause or affirmatively permit any Hazardous Material (as defined in Section 28(d) below) to be brought, kept, produced, generated, stored, manufactured, blended, handled, recycled, Released (as such term is defined below) or used in or about the Project by Tenant, its agents, employees, or contractors, or, within the Premises, Tenant’s invitees. Tenant indemnifies Landlord and the Landlord Parties from and against any breach by Tenant of the obligations stated in the preceding sentence, and from Tenant’s use, storage and/or disposal of any “medical or biological waste,” or other waste as provided in Section 28(d)(ix) below, in violation of applicable Laws and/or the terms of this Lease and agrees to defend and hold Landlord and the Landlord Parties harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Project, damages for the loss or restriction or use of rentable or usable space or of any amenity of the Project, damages arising from any adverse impact or marketing of space in the Project, and sums paid in settlement of claims, attorneys’ fees and costs, consultant fees, and expert fees) which arise during or after the Term of this Lease as a result of such breach. This indemnification of Landlord and the Landlord Parties by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Project which were introduced by Tenant, its agents, employees, or contractors. Without limiting the foregoing, if the presence of any Hazardous Material on the Project caused or affirmatively permitted by Tenant results in any contamination of the Project, then subject to the provisions of Articles 9, 10 and 11 hereof and Section 28(k) below, Tenant shall promptly take all actions at its sole expense as are necessary to return the Project to the condition existing prior to the introduction of any such Hazardous Material or (if the same is not reasonably possible, to the condition permitted by applicable Law) and the contractors to be used by Tenant for such work must be approved by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed, so long as such actions would not potentially have any material adverse long-term or short-term effect on the Project and so long as such actions do not materially interfere with the use and enjoyment of the Project by the other tenants thereof; provided however, Landlord shall also have the right, by written notice to Tenant, to directly undertake any such mitigation efforts with regard to Hazardous Materials in or about the Project due to Tenant’s breach of its obligations pursuant to this Section 28(a), and to charge Tenant, as Additional Rent, for the actual, out-of-pocket and verifiable costs thereof. For purposes of this Lease, “Release” or “Released” or “Releases” shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment. Notwithstanding the foregoing, Landlord recognizes and acknowledges that Tenant or its agents may use and store within the Premises reasonable quantities of customary office and cleaning supplies even if the same are not listed on the Environmental Questionnaire, and such use shall not be a violation of this Article 38 notwithstanding anything herein to the contrary, provided such items are stored, used, Released, and disposed of in accordance with applicable Laws.
(b) Intentionally Deleted.

c) It shall not be unreasonable for Landlord to withhold its consent to any proposed Transfer if (i) the proposed transferee’s anticipated use of the Premises involves the generation, storage, use, treatment, or disposal of Hazardous Material in an amount or quantity greater than that of Tenant and customary in Comparable Buildings; (ii) the proposed Transfer has been required by any prior landlord, lender, or governmental authority to take remedial action in connection with Hazardous Material contaminating a property if the contamination resulted from such Transferee’s actions or use of the property in question; or (iii) the proposed Transferee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal, or storage of a Hazardous Material in violation of Laws.

d) As used herein, the term “Hazardous Material” means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the Commonwealth of Massachusetts or the United States Government. The term “Hazardous Material” includes, without limitation, any material or substance which is (i) defined as “Hazardous waste” under Section 2 of M.G.L. c. 21C (Massachusetts Hazardous Waste Management Act), (ii) defined as a “Hazardous material,” “Oil” or “Substantial hazard” under Section 2 of M.G.L. c. 21E (Massachusetts Oil and Hazardous Material Release Prevention Act), (iii) defined as “Acutely Hazardous Waste,” “Hazardous Waste,” “Hazardous Debris,” “Mixed Waste” or “Universal Waste” under 310 Code of Massachusetts Regulations, §30.000 et. Seq (Hazardous Waste), (iv) petroleum, (v) asbestos, (vi) designated as a “Hazardous Substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1321), (vii) defined as a “Hazardous Waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), (viii) defined as a “Hazardous Substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9603), or (ix) defined as a “medical or biological waste,” “unprocessed liquid pathological waste,” other waste under 105 Code of Massachusetts Regulations, §§ 480.000 et. Seq (Minimum Requirements for the Management of Medical or Biological Waste); provided, however, that Tenant shall be authorized to use and/or store such waste described in this Section (d)(ix) in such amounts as are reasonably necessary for the operation of Tenant’s business, but Tenant shall be solely responsible, at its sole cost and expense, for the lawful disposal of such medical waste, subject to the indemnification provision of Section 28(a) hereof.

(e) As used herein, the term “Laws” means any applicable federal, state or local law, ordinance, or regulation relating to any Hazardous Material affecting the Project, including, without limitation, the laws, ordinances, and regulations referred to in Section 28(d) above.

(f) Landlord acknowledges that it is not the intent of this Article 28 to prohibit Tenant from operating its business as described in Section 1(G) above. Tenant may operate its business according to the custom of the industry so long as the use or presence of any Hazardous Material is strictly and properly monitored and accomplished according to all applicable governmental requirements and in accordance with all 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 prior to entering into this Lease a fully and accurately completed Landlord’s Pre-Leasing Environmental Exposure Questionnaire identifying each type of Hazardous Material to be present on the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of such Hazardous Material on the Premises (“Environmental Questionnaire”) in the form of Exhibit “F” attached hereto. Tenant shall deliver to Landlord an updated Environmental Questionnaire at least once each calendar year and shall also deliver an updated Environmental Questionnaire before any new Hazardous Material is brought onto the Premises or on or before the date Tenant obtains any additional permits or approvals for Hazardous Materials. If any information provided to Landlord by Tenant on an Environmental Questionnaire, or otherwise relating to information concerning Hazardous Materials is intentionally or knowingly false, incomplete, or misleading in any material respect, the same shall be deemed an Event of Default by Tenant under this Lease. Landlord’s prior written consent shall be required with respect to any Hazardous Materials use for the Premises not described on the initial Environmental Questionnaire, which consent shall not be unreasonably withheld, conditioned, or delayed. All manifests relating to the storage and/or removal or transportation of Hazardous Substances shall belong solely to Tenant and Landlord shall have absolutely no obligation in connection therewith. Tenant shall at all times throughout the Term, maintain a contract with a reputable hazardous materials transportation company for the containment, removal and transportation of any Hazardous Materials. Tenant shall not install or affirmatively permit any underground storage tank at the Premises or the Project. Landlord shall have the right to terminate this Lease in Landlord’s sole and absolute discretion in the event that (i) any anticipated use of the Premises by
Tenant involves the generation or storage, use, treatment or disposal of Hazardous Material in a manner or for a purpose prohibited by any governmental agency or authority as of the date of such storage, use, treatment, or disposal; (ii) Tenant has been required by any lender of Landlord or governmental authority to take remedial action in connection with Hazardous Material contaminating the Premises if the contamination resulted from Tenant’s actions or use of the Premises (unless Tenant is diligently seeking compliance with such remedial action); or (iii) Tenant is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material on the Premises (unless Tenant is diligently seeking compliance with such enforcement order). At any time prior to the expiration of the Lease Term and upon Landlord’s reasonable belief that certain Hazardous Materials tests are advisable based on reasonable reliable information or Landlord’s good faith belief, Landlord shall have the right following at least one (1) business day’s prior written notice (except in the event of an emergency), to enter upon the Premises at all reasonable times in order to conduct appropriate tests and to deliver to Tenant the results of such tests to attempt to demonstrate that contamination has occurred as a result of Tenant’s use of the Premises.

(g) Tenant shall notify Landlord in writing as soon as possible but in no event later than five (5) days after Tenant has actual knowledge thereof: (i) the occurrence of any actual, alleged or threatened Release of any Hazardous Material by Tenant or its agents, employees, or contractors in, on, under, from, about or in the vicinity of the Premises or the Project (whether past or present), regardless of the quantity of any such Release, or (ii) Tenant becomes aware of any regulatory actions, inquiries, inspections, investigations, directives, or any cleanup, compliance, enforcement or abatement proceedings (including any threatened or contemplated investigations or proceedings) relating to or potentially affecting the Premises or the Project due to Hazardous Materials introduced by Tenant, its agents, employees, or contractors, or (iii) Tenant becomes aware of any claims by any person or entity relating to any Hazardous Materials introduced by Tenant, its agents, employees, or contractors, in, on, under, from or about in the vicinity of the Premises or the Project, whether relating to damage, contribution, cost recovery, compensation, loss or injury. Collectively, the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as “Hazardous Materials Claims”. Tenant shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any Hazardous Materials Claims. Additionally, Tenant shall promptly advise Landlord in writing of Tenant’s discovery of any occurrence or condition on, in, under or about the Premises or the Project relating to Hazardous Materials that Tenant is aware could subject Tenant or Landlord to any liability, or restrictions on ownership, occupancy, transferability or use of the Premises or the Project under any Laws. Tenant shall not enter into any legal proceeding or other action, settlement, consent decree or other compromise with respect to any Hazardous Materials Claims that concerns Landlord or the Project without first notifying Landlord of Tenant’s intention to do so and affording Landlord the opportunity to join and participate, as a party if Landlord so elects, in such proceedings and in no event shall Tenant enter into any agreements which are binding on Landlord, the Premises or the Project without Landlord’s prior written consent. Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning any Hazardous Materials Claim that concerns Landlord or the Project.

(h) Without limiting the generality of Tenant’s obligation to comply with applicable laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Laws. Tenant shall obtain and maintain any and all necessary permits, licenses, certifications and approvals appropriate or required for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Premises. Landlord shall have a continuing right, without obligation, to require Tenant, to the extent required by applicable Laws or in connection with the Permitted Use, to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant’s use of Hazardous Materials. Upon request of Landlord, Tenant shall deliver to Landlord a narrative description explaining the nature and scope of Tenant’s activities involving Hazardous Materials and showing to Landlord’s reasonable satisfaction compliance with all Laws and the terms of this Lease with respect to Hazardous Materials.
(i) Landlord may, but shall not be required to, engage from time to time such contractors as Landlord determines to be appropriate to perform environmental assessments of a scope reasonably determined by Landlord, including without limitation, a Phase I Environmental Site Assessment (an “Environmental Assessment”) to ensure Tenant’s compliance with the requirements of this Lease with respect to Hazardous Materials. All costs and expenses incurred by Landlord in connection with any such Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has failed to comply with the provisions of this Article 28, then all of the actual, reasonable costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within ten (10) business days after receipt of written demand therefor.

(j) At or prior to the expiration or earlier termination of the Term, Landlord may require that Tenant, at Tenant’s sole cost and expense: (i) cause an Environmental Assessment of the Premises and the Project (but with respect to the common areas of the Project such Environmental Assessment will be limited to the extent of Tenant’s exclusive use of such areas and the immediate surrounding areas of such exclusive use areas) to be conducted in accordance with Section 29(f)(i); provided, however, if the results of the assessment do not reveal any Hazardous Materials for which Tenant is responsible as set forth herein in violation of applicable laws or this Lease, then Landlord shall reimburse Tenant for the actual, out-of-pocket costs and expenses thereof; (ii) cause all Hazardous Materials introduced by or on-site due to the acts or negligence of Tenant, its agents, employees, or contractors or for which Tenant is otherwise responsible pursuant to the terms of this Article 28 to be removed from the Premises and the Project and disposed of in accordance with all Laws and as necessary to allow the Premises to be used for any purpose (but in no event shall Tenant be required to remove any Hazardous Materials not introduced by Tenant, its agents, employees, or contractors or for which Tenant is not otherwise responsible pursuant to the terms of this Article 28); and (iii) cause to be removed all containers installed or used by Tenant or any of its agents, contractors, employees or invitees or customers to store any Hazardous Materials on the Premises, and cause to be repaired any damage to the Premises and the Project caused by such removal.

(k) If any written report, including any report containing results of any Environmental Assessment (an “Environmental Report”) shall indicate (i) the presence of any Hazardous Materials as to which Tenant has a removal or remediation obligation under this Article 28, and (ii) that as a result of same, the investigation, characterization, monitoring, assessment, repair, closure, remediation, removal, or other clean-up (the “Clean-up”) of any Hazardous Materials is required pursuant to Laws, Tenant shall immediately prepare and submit to Landlord within thirty (30) days after receipt of the Environmental Report a comprehensive plan, subject to Landlord’s written approval, such approval not to be unreasonably withheld, conditioned, or delayed, specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises and the Project are restored to the conditions required by this Lease. Upon Landlord’s approval of the Clean-up plan, Tenant shall, at Tenant’s sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan with a consultant reasonably acceptable to Landlord and proceed to Clean-Up Hazardous Materials in accordance with all Laws and as required by such plan and this Lease. If, within thirty (30) days after receiving a copy of such Environmental Report, Tenant fails either (a) to complete such Clean-up, or (b) with respect to any Clean-up that cannot be completed within such thirty-day period, fails to proceed with diligence to prepare the Clean-up plan and complete the Clean-up as promptly as reasonably practicable, then Landlord shall have the right, but not the obligation, and without waiving any other rights under this Lease, to carry out any Clean-up recommended by the Environmental Report or required by any governmental authority having jurisdiction over the Premises and the Project, and recover all of the actual, out-of-pocket and verifiable costs and expenses thereof from Tenant as Additional Rent, payable within ten (10) business days after receipt of written demand therefor.

(l) Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up, and shall not be entitled to any reduction, offset or deferral of any Basic Rental or Additional Rent due or accruing under this Lease during any such Clean-up.

(m) Tenant shall complete any Clean-up prior to surrender of the Premises upon the expiration or earlier termination of this Lease. Tenant shall obtain and deliver to Landlord a letter or other written determination from the overseeing governmental authority confirming that the Clean-up has been completed in accordance with all requirements of such governmental authority and that no further response action of any kind is required for the unrestricted use of the Premises (“Closure Letter”). Upon the expiration or earlier termination of this Lease, Tenant shall also be obligated to close all permits obtained by or on behalf of Tenant in connection with Hazardous Materials used at the Premises or in connection with the Permitted Use in accordance with applicable laws.
(n) Should any Clean-up for which Tenant is responsible not be completed, or should Tenant not receive the Closure Letter and any governmental approvals required under Laws in conjunction with such Clean-up prior to the expiration or earlier termination of this Lease, and such failure shall prohibit or otherwise materially and adversely affect the ability of Landlord from leasing the Premises, then Tenant shall be liable to Landlord as a holdover tenant (as more particularly provided in Article 5) until Tenant has fully complied with its obligations under this Article 28; provided, however, if Landlord is only prohibited from leasing part of the Premises or only a portion of the Premises is materially and adversely affected due to such failure by Tenant, then provided the remainder of the Premises is a leasable configuration without any improvements required to separately demise the impacted portion(s) thereof, the holdover shall only apply to the portion of the Premises which Landlord is prohibited from leasing or is otherwise materially and adversely affected.

(o) Unless compelled to do so by applicable law, Tenant agrees that Tenant shall not disclose, discuss, disseminate or copy any information, data, findings, communications, conclusions and reports regarding the environmental condition of the Premises or the Project to any person or entity (other than Tenant’s consultants, attorneys, property managers and employees that have a need to know such information), including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is compelled by applicable law, it shall provide Landlord ten (10) days’ advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective purchasers or lenders, subject to any such parties’ written agreement to be bound by the terms of this Section 28(o).

(p) Within thirty (30) days of receipt thereof, Tenant shall provide Landlord with a copy of any and all environmental assessments, audits, studies and reports in Tenant’s possession regarding Tenant’s activities with respect to the Premises, the Project, or ground water beneath the Real Property, or the environmental condition or Clean-up thereof. Tenant shall be obligated to provide Landlord with a copy of such materials without regard to whether such materials are generated by Tenant or prepared for Tenant, or how Tenant comes into possession of such materials.

(q) Tenant shall be responsible for posting on the Premises any signs required under applicable Laws. Tenant shall also complete and file any business response plans or inventories required by any applicable Laws. Tenant shall concurrently file a copy of any such business response plan or inventory with Landlord.

(r) Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this Article 28 shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant’s obligations under this Article 28 have been completely performed and satisfied.

(s) Landlord represents to Tenant that, to the best of Landlord’s actual knowledge as of the date hereof, the Project does not currently contain any Hazardous Materials in violation of any existing applicable Laws. As used herein, the phrase “actual knowledge” shall mean the actual knowledge of Landlord’s property manager for the Project, without investigation or inquiry or duty of investigation or inquiry. To the extent required by any applicable environmental Laws, Landlord shall, at Landlord’s cost and expense (and not as an Operating Cost) (i) promptly commence a removal, encapsulation or other containment or remediation program reasonably selected by Landlord which is required by and complies with all Laws (the “Remediation Program”), and (ii) diligently prosecute the Remediation Program and take such other reasonable action to completion in such a manner as will make the Project and/or Premises free from any Landlord’s Hazardous Materials (defined below) in accordance with the standards promulgated in applicable Laws. The term “Landlord’s Hazardous Materials” shall mean Hazardous Materials which are present in, on, under or about the Project or Premises as of the date of this Lease or which are released or brought in, on, under or about the Project or Premises by Landlord or any agent, employee, or contractor of Landlord. Landlord’s Hazardous Materials shall specifically not include any Hazardous Materials released, disturbed, transported, stored, generated or used by Tenant or any agent, representative, contractor, invitee, vendor, customer or employee of Tenant in connection with or related to any dealings with Tenant at the Project after the date of this Lease. In the event that Landlord shall commence any such Remediation Program and such action is not based upon or related to any action or inaction of Tenant or Tenant’s agents, employees, contractors or invitees, then (i) if such Remediation Program is commenced prior to the later of (i) the Pod 4 Portion Commencement Date or (ii) the Pod 5 Portion Commencement Date, then the Pod 4 Portion
ARTICLE 29
SURRENDER OF PREMISES; REMOVAL OF PROPERTY

(a) The voluntary or other surrender of this Lease by Tenant to Landlord, or a mutual termination hereof, shall not work a merger, and shall at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies affecting the Premises.

(b) Upon the expiration of the Term of this Lease, or upon any earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in good order and condition, but reasonable wear and tear, damage by casualty, and repairs which are Landlord’s obligation excepted, and shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, all furniture, equipment, business and trade fixtures, free-standing cabinet work, moveable partitioning, telephone and data cabling and other articles of personal property in the Premises except to the extent, if applicable, Landlord elects by notice to Tenant to exercise its option to have any subleases or subtenancies assigned to it. Tenant shall be responsible for the cost to repair all damage to the Premises resulting from the removal of any of such items from the Premises.

(c) Whenever Landlord shall reenter the Premises as provided in Article 20 hereof, or as otherwise provided in this Lease, any property of Tenant not removed by Tenant upon the expiration of the Term of this Lease (or within forty-eight (48) hours after a termination by reason of Tenant’s Event of Default), as provided in this Lease, shall be considered abandoned and Landlord may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the actual, reasonable expense and risk of Tenant, and if Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Landlord, in its sole discretion, may deem proper, without notice to or demand upon Tenant, for the payment of all or any part of such charges or the removal of any such property, and shall apply the proceeds of such sale as follows: first, to the cost and expense of such sale, including reasonable attorneys’ fees and costs for services rendered; second, to the payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

(d) All fixtures, Tenant Improvements, Alterations and/or appurtenances attached to or built into the Premises prior to or during the Term, whether by Landlord or Tenant and whether at the expense of Landlord or Tenant, or of both, shall be and remain part of the Premises and shall not be removed by Tenant at the end of the Term unless (i) otherwise expressly provided for in this Lease to be removed by Tenant upon the expiration or earlier termination of this Lease (with specific reference to any Removal Equipment as defined in Section 29(e) below) or (ii) unless such
removal is (1) required in connection with an Alteration that was installed by or on behalf of Tenant and required by Landlord and Landlord informed Tenant of the same when and to the extent required pursuant to the terms of Section 9(e) above, and (2) such Alteration is determined by Landlord, in its good faith discretion, to be a Specialty Improvement (as hereinafter defined). Such fixtures, Tenant Improvements, Alterations and/or appurtenances which shall remain in the Premises at the expiration or earlier termination of this Lease shall include but not be limited to: all floor coverings, drapes, paneling, built-in cabinetry, molding, doors, plumbing systems, security systems, electrical systems, lighting systems, all fixtures and outlets for the systems mentioned above and for all telephone, radio and television purposes, and any special flooring or ceiling installations. As used herein, a "Specialty Improvement" is any Improvement, Alteration or installation that is not a normal, customary and reusable improvement by tenants in Comparable Buildings using a premises for general office and life science use, the parties agreeing that the following Improvements and Alterations shall be deemed Specialty Improvements: private restrooms, interior stairwells or other specialized feature that would be materially more expensive to remove from the Premises than typical general office and life sciences improvements, raised flooring system, all lab equipment and Improvements relating to Tenant’s GMP laboratory and manufacturing operations that is not a normal, customary and reusable improvement by tenants in Comparable Buildings using a premises for general life science lab use, vaults or other similar device(s) or system(s) intended to secure the Premises or a portion thereof in a manner that exceeds the level of security normally found in premises occupied for general office uses, and Tenant’s exterior signage. Landlord agrees that Tenant any wiring and cabling installed by or on behalf of Tenant, must be marked and coded in a manner reasonably acceptable to Landlord to identify such facilities as belonging to Tenant and the point of commencement and termination of such facilities and the purpose of such lines (i) every six (6) feet outside the Premises (including the electrical room risers and any Common Areas), and (ii) at their termination points. Unless otherwise notified by Landlord, Tenant, at its expense and before the expiration or earlier termination hereof, shall remove all such wiring and cabling installed in the Premises or the common Areas by or for Tenant and repair any resulting damage.

(e) As of the Delivery Date, Landlord hereby conveys to Tenant all of the equipment currently located in the Premises and generally described in Exhibit "G" ("Initial Equipment"). Landlord has made no representations or warranties, express, implied or otherwise, regarding the condition or working order of the Initial Equipment. Landlord represents and warrants to Tenant that it has full right to convey the Initial Equipment and that it is free and clear of all security interests, liens, and encumbrances to which Landlord is a party. Tenant confirms that it has had the reasonable opportunity to inventory and inspect the Initial Equipment and hereby represents that (i) it accepts the Initial Equipment "AS IS AND WITH ALL FAULTS", and (ii) it is satisfied that all items of Initial Equipment listed on Exhibit "G" attached hereto are currently located in the Building and are hereby accepted by Tenant, subject to and in accordance with the terms of this Section 29(e). In no event shall Landlord have any liability or responsibility with respect to the Initial Equipment, and Landlord shall have no responsibility to repair, replace or refurbish the Initial Equipment at any time for any reason, unless due to Landlord’s intentional or grossly negligent acts or omissions. Notwithstanding anything to the contrary in this Lease, Landlord and Tenant acknowledge and agree that, as set forth on Exhibit "G" attached hereto and made a part hereof, Tenant may (but without obligation) elect to remove and dispose of the Initial Equipment at any time during the Term and upon the expiration or earlier termination of this Lease. In addition, except to the extent required to be removed in accordance with the Exit Survey (as defined below), Tenant shall not be required to remove any of the initial Improvements that are constructed in the Premises as part of the Approved Working Drawings to the extent that such initial Improvements are designated in that certain DPS Engineering Drawing 4-AE-100 Pod 4 Construction Plan – Overall dated 12/22/2020 (the “Preliminary Plan”) (the “Non-Removal Equipment”). However, if Tenant has additional equipment ("Additional Equipment") installed in the Premises that is not identified on Exhibit "G" or the Preliminary Plan, then prior to the installation of such Additional Equipment and concurrently with Landlord’s approval of the same, Landlord shall inform Tenant, in writing, whether such Additional Equipment qualifies as a Specialty Improvement and, if so, whether such Additional Equipment shall remain or be removed by Tenant from the Premises upon the expiration or earlier termination of this Lease. If Landlord does not so inform Tenant that the Additional Equipment must be removed, then Tenant shall not be required to remove such Additional Equipment at the expiration or earlier termination of this Lease. Tenant shall be responsible for the cost to repair all damage to the Premises resulting from the removal of any of such items from the Premises.

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(f) If any portion of the Premises is used as a laboratory ("Lab Space"), then upon expiration or earlier termination of this Lease, Tenant shall remove all Improvements, Alterations, furniture, fixtures, equipment and other property from such Lab Space if (i) the same qualifies as a Specialty Improvement, (ii) Landlord informs Tenant at the time it approves the Specialty Improvement that the same must be removed at expiration or earlier termination of this Lease, and (iii) is not otherwise part of the Non-Removal Equipment. Tenant shall repair all damage resulting from such required removal. Furthermore, at least thirty (30) days prior to Tenant’s surrender of possession of the Premises (or in the event of an earlier termination of this Lease, as soon as reasonably possible following such termination), Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Lab Space which complies 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) ("Exit Survey") prepared by an independent third party state-certified professional with appropriate expertise, in a form reasonably acceptable to Landlord. The Exit Survey must confirm that the Lab Space is in a clean and safe condition and free and clear of any Hazardous Materials caused by Tenant or any Tenant Party. In addition, at least thirty (30) days following Tenant’s surrender of possession of any Lab Space, Tenant shall (i) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Laws (e.g., decommissioning of any radioactive licenses) and relating to any Hazardous Materials used or introduced at the Premises by Tenant or a Tenant Party, and (ii) conduct a site inspection with Landlord. Landlord may require that Tenant provide an Environmental Assessment for the Project upon Tenant’s surrender of the Premises in addition to the Exit Survey if Landlord has a good faith belief that Tenant violated its obligations under Article 28 at any time during the Lease Term in which event the terms and conditions otherwise set forth in Section 28(j) shall apply (with specific reference to the cost allocation set forth therein in connection with the same). 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 (and the Environmental Assessment as applicable) and introduced to the Premises by Tenant or any Tenant Party (or otherwise for which Tenant is responsible pursuant to the terms and conditions set forth in Article 28) in accordance with a remediation plan reasonably approved by Landlord pursuant to Section 28(f). Tenant’s obligations under this Section 29(f) shall survive the expiration or earlier termination of this Lease.

ARTICLE 30
MISCELLANEOUS

(a) SEVERABILITY: ENTIRE AGREEMENT. ANY PROVISION OF THIS LEASE WHICH SHALL PROVE TO BE INVALID, VOID, OR ILLEGAL SHALL IN NO WAY AFFECT, IMPAIR OR INVALIDATE ANY OTHER PROVISION HEREOF AND SUCH OTHER PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT. THIS LEASE AND THE EXHIBITS AND ANY ADDENDUM ATTACHED HERETO CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO WITH REGARD TO TENANT’S OCCUPANCY OR USE OF ALL OR ANY PORTION OF THE PROJECT, AND NO PRIOR AGREEMENT OR UNDERSTANDING PERTAINING TO ANY SUCH MATTER SHALL BE EFFECTIVE FOR ANY PURPOSE. NO PROVISION OF THIS LEASE MAY BE AMENDED OR SUPPLEMENTED EXCEPT BY AN AGREEMENT IN WRITING SIGNED BY THE PARTIES HERETO OR THEIR SUCCESSOR IN INTEREST. THE PARTIES AGREE THAT ANY DELETION OF LANGUAGE FROM THIS LEASE PRIOR TO ITS MUTUAL EXECUTION BY LANDLORD AND TENANT SHALL NOT BE CONSTRUED TO HAVE ANY PARTICULAR MEANING OR TO RAISE ANY PRESUMPTION, CANON OF CONSTRUCTION OR IMPLICATION INCLUDING, WITHOUT LIMITATION, ANY IMPLICATION THAT THE PARTIES INTENDED THEREBY TO STATE THE CONVERSE, OBVERSE OR OPPOSITE OF THE DELETED LANGUAGE.

(b) Attorneys’ Fees; Waiver of Jury Trial.

(i) In any action to enforce the terms of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorneys’ fees and costs in such suit and such attorneys’ fees and costs shall be deemed to have accrued prior to the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Tenant shall also reimburse Landlord for all costs incurred by Landlord in connection with enforcing its rights under this Lease against Tenant following a bankruptcy by Tenant, including, without limitation, legal fees, experts’ fees and expenses, court costs and consulting fees.
(ii) Reserved.

(iii) TO THE EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION SEEKING SPECIFIC PERFORMANCE OF ANY PROVISION OF THIS LEASE, FOR DAMAGES FOR ANY BREACH UNDER THIS LEASE, OR OTHERWISE FOR ENFORCEMENT OF ANY RIGHT OR REMEDY HEREUNDER.

(c) Time of Essence. Time is of the essence with respect to the performance of every provision of this Lease.

(d) Headings; Joint and Several. The article headings contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms “Landlord” and “Tenant” as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders.

(e) Reserved Area. Tenant hereby acknowledges and agrees that the exterior walls of the Premises and the area between the finished ceiling of the Premises and the slab of the floor of the Project there above have not been demised hereby and the use thereof together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wiring and cabling leading through, under or above the Premises or throughout the Project in locations which will not materially interfere with Tenant’s use or enjoyment of the Premises or business operations therein and serving other parts of the Project are hereby excepted and reserved unto Landlord; provided, however, without limiting any of Tenant’s other rights in the Lease, Landlord shall provide tenant with at least five (5) days prior written notice of the exercise of its rights set forth in this subsection (except in the case of an emergency) and Landlord shall perform the work in a manner which is intended to minimize interruptions to Tenant’s business operations in the Premises.

(f) NO OPTION. THE SUBMISSION OF THIS LEASE BY LANDLORD, ITS AGENT OR REPRESENTATIVE FOR EXAMINATION OR EXECUTION BY TENANT DOES NOT CONSTITUTE AN OPTION OR OFFER TO LEASE THE PREMISES UPON THE TERMS AND CONDITIONS CONTAINED HEREIN OR A RESERVATION OF THE PREMISES IN FAVOR OF TENANT, IT BEING INTENDED HEREBY THAT THIS LEASE SHALL ONLY BECOME EFFECTIVE UPON THE EXECUTION HEREOF BY LANDLORD AND TENANT AND DELIVERY OF A FULLY EXECUTED LEASE TO TENANT.

(g) Use of Project Name; Improvements. Tenant shall not be allowed to use the name, picture or representation of the Project, or words to that effect, in connection with any business carried on in the Premises or otherwise (except as Tenant’s address) without the prior written consent of Landlord, such consent not to be unreasonably withheld, conditioned, or delayed. In the event that Landlord undertakes any additional improvements on the Real Property including but not limited to new construction or renovation or additions to the existing improvements, Landlord shall not be liable to Tenant for any noise, dust, vibration or interference with access to the Premises or disruption in Tenant’s business caused thereby; provided, however, without limiting Tenant’s other rights set forth in this Lease, Landlord agrees to provide Tenant with no less than five (5) business days’ prior written notice of its exercise of its right in this subsection and agrees to perform any work required in connection with the exercise of its rights in a manner which minimizes interference with Tenant’s business operations in the Premises.

(h) Rules and Regulations. Tenant shall observe faithfully and comply strictly with the rules and regulations (“Rules and Regulations”) attached to this Lease as Exhibit “B” and made a part hereof, and such other Rules and Regulations as Landlord may from time to time reasonably adopt for the safety, care and cleanliness of the Project, the facilities thereof, or the preservation of good order therein. Landlord shall not be liable to Tenant for violation of any such Rules and Regulations, or for the breach of any covenant or condition in any lease by any other tenant in the Project; provided, however, Landlord shall not discriminate against Tenant in the enforcement of any such Rules and Regulations. A waiver by Landlord of any Rule or Regulation for any other tenant shall not constitute nor be deemed a waiver of the Rule or Regulation for this Tenant. In the event of a conflict between the terms of this Lease and the Rules and Regulations, the terms of this Lease shall control.
Upon Tenant’s paying the Basic Rental, Additional Rent and other sums provided hereunder and observing and performing all of the covenants, conditions and provisions on Tenant’s part to be observed and performed hereunder within any applicable notice and cure periods, Tenant shall have quiet possession of the Premises for the entire Term hereof, subject to all of the provisions of this Lease.

(j) Rent. All payments required to be made hereunder to Landlord shall be deemed to be rent, whether or not described as such.

(k) Successors and Assigns. Subject to the provisions of Article 15 hereof, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

(l) Notices. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service evidenced by a signed receipt (or refusal to accept delivery) or sent by registered or certified mail, return receipt requested, or via overnight courier, and shall be effective upon proof of delivery (or refusal to accept delivery), addressed to Tenant or to Landlord as follows:

If to Landlord:

IQHQ-4 Corporate, LLC c/o IQHQ, L.P.
674 Via De La Valle, Suite 206
Solana Beach, CA 92075
Attn: Tracy Murphy, President

With a copy to:

c/o IQHQ, L.P.
674 Via de la Valle, Suite 206
Attn: Legal Department
Solana Beach, CA 92075
Email: [EMAIL ADDRESS]

If to Tenant:

Oncorus Inc
50 Hampshire St.
Suite 401
Cambridge, MA 02139
Attn: Ted Ashburn, CEO & President

With a copy to:

c/o Oncorus CFO
50 Hampshire St.
Suite 401
Attn: John McCabe, CFO
Cambridge, MA 02139
Email: [EMAIL ADDRESS]

Either party may by notice to the other specify a different address for notice purposes. A copy of all notices to be given to Landlord hereunder shall be concurrently transmitted by Tenant to such party hereafter designated by notice from Landlord to Tenant. Any notices sent by Landlord regarding or relating to eviction procedures, including without limitation three (3) day notices, may be sent by regular mail.

(m) Intentionally Deleted.

(n) Right of Landlord to Perform. All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant’s sole cost and expense and without any abatement of rent, except as otherwise expressly set forth in this Lease. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder
or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable notice and cure period set forth in this Lease, Landlord may, but shall not be obligated to, without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant’s part to be made or performed as is in this Lease provided. All sums so paid by Landlord and all reasonable incidental costs, together with interest thereon at the rate specified in Section 20(e) above from the date of such payment by Landlord, shall be payable to Landlord within ten (10) business days after receipt of demand therefor and Tenant covenants to pay any such sums, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of the rent.

(o) **Access, Changes in Project, Facilities, Name.**

(i) Every part of the Project except the inside surfaces of all walls, windows and doors bounding the Premises (including exterior building walls, the rooftop, core corridor walls and doors and any core corridor entrance), and any space in or adjacent to the Premises or within the Project used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other building facilities, and the use thereof, as well as access thereto through the Premises for the purposes of operation, maintenance, decoration and repair, are reserved to Landlord.

(ii) Landlord reserves the right, without incurring any liability to Tenant therefor, to make such changes in or to the Project and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages, elevators, stairways and other improvements thereof, as it may deem necessary or desirable, provided that such changes do not materially adversely affect Tenant’s use or enjoyment of the Premises or materially decrease its rights or materially increase obligations set forth in this Lease.

(iii) Landlord may adopt any name for the Project and Landlord reserves the right, from time to time, to change the name and/or address of the Project at any time.

(p) **Signing Authority.**

(i) If Tenant is a corporation, partnership or limited liability company, Tenant represents and warrants that each individual executing this Lease on behalf of said entity is duly authorized to execute and deliver this Lease on behalf of said entity in accordance with: (i) if Tenant is a corporation, a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, (ii) if Tenant is a partnership, the terms of the partnership agreement, and (iii) if Tenant is a limited liability company, the terms of its operating agreement, and that this Lease is binding upon said entity in accordance with its terms. Concurrently with Tenant’s execution of this Lease, Tenant shall provide to Landlord a copy of: (A) if Tenant is a corporation, such resolution of the Board of Directors authorizing the execution of this Lease on behalf of such corporation, which copy of resolution shall be duly certified by the secretary or an assistant secretary of the corporation to be a true copy of a resolution duly adopted by the Board of Directors of said corporation and shall be in a form reasonably acceptable to Landlord, (B) if Tenant is a partnership, a copy of the provisions of the partnership agreement granting the requisite authority to each individual executing this Lease on behalf of said partnership, and (C) if Tenant is a limited liability company, a copy of the provisions of its operating agreement granting the requisite authority to each individual executing this Lease on behalf of said limited liability company.

(ii) If Landlord is a corporation, partnership or limited liability company, Landlord represents and warrants that each individual executing this Lease on behalf of said entity is duly authorized to execute and deliver this Lease on behalf of said entity in accordance with: (i) if Landlord is a corporation, a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, (ii) if Landlord is a partnership, the terms of the partnership agreement, and (iii) if Landlord is a limited liability company, the terms of its operating agreement, and that this Lease is binding upon said entity in accordance with its terms.
(q) Identification of Tenant.

(i) If Tenant constitutes more than one person or entity, (A) each of them shall be jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions and provisions of this Lease to be kept, observed and performed by Tenant, (B) the term “Tenant” as used in this Lease shall mean and include each of them jointly and severally, and (C) the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to the tenancy of this Lease, including, but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons or entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

(ii) If Tenant is a partnership (or is comprised of two or more persons, individually and as co-partners of a partnership) or if Tenant’s interest in this Lease shall be assigned to a partnership (or to two or more persons, individually and as co-partners of a partnership) pursuant to Article 15 hereof (any such partnership and such persons hereinafter referred to in this Section 30(q)(ii) as “Partnership Tenant”), the following provisions of this Lease shall apply to such Partnership Tenant:

(A) The liability of each of the parties comprising Partnership Tenant shall be joint and several.

(B) Each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by, any written instrument which may hereafter be executed, changing, modifying or discharging this Lease, in whole or in part, or surrendering all or any part of the Premises to the Landlord, and by notices, demands, requests or other communication which may hereafter be given, by the individual or individuals authorized to execute this Lease on behalf of Partnership Tenant under Subparagraph (p) above.

(C) Any bills, statements, notices, demands, requests or other communications given or rendered to Partnership Tenant or to any of the parties comprising Partnership Tenant shall be deemed given or rendered to Partnership Tenant and to all such parties and shall be binding upon Partnership Tenant and all such parties.

(D) If Partnership Tenant admits new partners, all of such new partners shall, by their admission to Partnership Tenant, be deemed to have assumed performance of all of the terms, covenants and conditions of this Lease on Tenant’s part to be observed and performed.

(E) Partnership Tenant shall give prompt notice to Landlord of the admission of any such new partners, and, upon demand of Landlord, shall cause each such new partner to execute and deliver to Landlord an agreement in form reasonably satisfactory to Landlord, wherein each such new partner shall assume performance of all of the terms, covenants and conditions of this Lease on Partnership Tenant’s part to be observed and performed (but neither Landlord’s failure to request any such agreement nor the failure of any such new partner to execute or deliver any such agreement to Landlord shall terminate the provisions of clause (D) of this Section 30(q)(ii) or relieve any such new partner of its obligations thereunder).

(r) Intentionally Deleted.

(s) Confidentiality. Landlord and Tenant each acknowledges that the content of this Lease and any related documents are confidential information. Landlord and Tenant each shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than as required by applicable law (e.g. 8-K and 10-K filings) or to the party’s financial, legal, space planning consultants, any proposed Transferees, and, with respect to the relevant provisions, Tenant’s contractors.

(t) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. No conflicts of law rules of any state or country (including, without limitation, Massachusetts conflicts of law rules) shall be applied to result in the application of any substantive or procedural laws of any state or country other than Massachusetts. All controversies, claims, actions or causes of action arising between the parties hereto and/or their respective successors and assigns, shall be brought, heard and adjudicated by the courts of the Commonwealth of Massachusetts, with venue in the county in which the Project is located. Each of the parties hereto hereby consents to personal jurisdiction by the courts of the Commonwealth of Massachusetts in connection with any such controversy, claim, action or cause of action, and each of the parties hereto consents to service of process by any means authorized by Massachusetts law and consent to the enforcement of any judgment so obtained in the courts of the Commonwealth of Massachusetts on the same terms and conditions as if such controversy, claim, action or cause of action had been originally heard and adjudicated to a final judgment in such courts. Each of the parties hereto further acknowledges that the laws and courts of the Commonwealth of Massachusetts were freely and voluntarily chosen to govern this Lease and to adjudicate any claims or disputes hereunder.
Tenant certifies to Landlord that (i) Tenant is not entering into this Lease, nor acting, for or on behalf of any person or entity named as a terrorist or other banned or blocked person or entity pursuant to any law, order, rule or regulation of the United States Treasury Department or the Office of Foreign Assets Control, and (ii) Tenant shall not assign this Lease or sublease to any such person or entity or anyone acting on behalf of any such person or entity. Landlord shall have the right to conduct all reasonable searches in order to ensure compliance with the foregoing. Tenant hereby agrees to indemnify, defend and hold Landlord and the Landlord Parties harmless from any and all claims arising from or related to any breach of the foregoing certification.

Financial Statements. Within ten (10) business days after Tenant’s receipt of Landlord’s written request (but no more than once per calendar year, except in connection with Landlord’s sale or financing of the Project), Tenant shall provide Landlord with current financial statements of Tenant and financial statements for the three (3) calendar or fiscal years (if Tenant’s fiscal year is other than a calendar year) prior to the current financial statement year. Any such statements shall be prepared in accordance with generally accepted accounting principles and, if the normal practice of Tenant, shall be audited by an independent certified public accountant. This Section shall not apply to Tenant so long as Tenant is a publicly traded company.

Consequential Damages. In no event shall either Landlord or Tenant be liable for consequential damages except pursuant to Article 5 and 28.

Exhibits. The Exhibits attached hereto are incorporated herein by this reference as if fully set forth herein.

Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent (and not dependent) and Landlord and Tenant hereby expressly waives the benefit of any statute to the contrary. Tenant agrees that, except as expressly set forth herein, if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord’s expense or to set off of any of the rent or other amounts owing hereunder against Landlord.

Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement.

Non-Discrimination. Tenant herein covenants that Tenant and its heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises, nor shall Tenant, or any person claiming under or through Tenant, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants or vendees in the Premises.”

Structural/Latent Defects. Landlord shall, at its sole cost and expense and throughout the initial Lease Term and the Option Term (if applicable), repair any structural and/or latent design or construction defects in the construction of the Project of which Landlord has notice or that Landlord discovers.

Electronic Signature. Either party (the “Signatory”) shall have the right to insert the name of the person executing this Lease in the Signatory’s signature block, and the initials of such person at any places requiring initials, using an electronic signature such as DocuSign (an “Electronic Signature”); in such event (i) the applicable document will not include the Signatory’s original ink signature and (ii) the Signatory shall have no obligation to provide a copy of such document with an original ink signature, unless the other party so requests. A document delivered by a Signatory with an Electronic Signature shall be binding on the Signatory as if the document had been originally executed by the Signatory with an ink signature.
ARTICLE 31
OPTION TO EXTEND

(a) Option Right. Landlord hereby grants the Tenant named in this Lease (the “Original Tenant”) two (2) options (“Options”) to extend the Term for the entire Premises for a period of ten (10) years each (each, an “Option Term”), which Options shall be exercisable only by written notice delivered by Tenant to Landlord as set forth below. The rights contained in this Article 31 shall be personal to the Original Tenant and any Affiliated Assignee and may only be exercised by the Original Tenant or an Affiliated Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant’s interest in this Lease) if the Original Tenant or Affiliated Assignee occupies at least fifty percent (50%) of the Premises as of the date of Tenant’s Acceptance (as defined in Section 31(c) below).

(b) Option Rent. The rent payable by Tenant during the Option Term (“Option Rent”) shall be equal to one hundred percent (100%) of the “Market Rent” (defined below). “Market Rent” shall mean the applicable Monthly Basic Rental, and all escalations, Direct Costs, additional rent and other charges at which tenants, as of the commencement of the Option Term, are entering into leases for non-sublease space which is not encumbered by expansion rights and which is comparable in size, location and quality to the Premises in renewal transactions which comparable space is located in commercial laboratory buildings comparable to the Project in the I-93/128 North suburban market area (“Submarket”) taking into consideration all relevant factors. However, the Market Rent shall not be increased to take into consideration any leasehold improvements installed and paid for by Tenant at any time within the Premises.

(c) Exercise of Option. The Option shall be exercised by Tenant only in the following manner: (i) Tenant shall not be in default beyond all applicable notice and cure periods of any of its monetary obligations or material non-monetary obligations on the delivery date of the Interest Notice and Tenant’s Acceptance; (ii) Tenant shall deliver written notice (“Interest Notice”) to Landlord not more than fifteen (15) months nor less than nine (9) months prior to the expiration of the Term, stating that Tenant is interested in exercising the Option; (iii) within fifteen (15) business days of Landlord’s receipt of Tenant’s written notice, Landlord shall deliver notice (“Option Rent Notice”) to Tenant setting forth Landlord’s proposed Option Rent; and (iv) Tenant shall provide Landlord written notice within fifteen (15) business days after receipt of the Option Rent Notice (“Tenant’s Acceptance”) stating whether or not it elects to exercise the Option and upon, and concurrent with delivery of such Tenant’s Acceptance notice, Tenant shall state whether it accepts or objects to the Option Rent contained in the Option Rent Notice. Tenant’s failure to deliver the Interest Notice or Tenant’s Acceptance on or before the date specified above shall be deemed to constitute Tenant’s election not to exercise the Option. If Tenant timely and properly exercises its Option, then the Term shall be extended for the Option Term upon all of the terms and conditions set forth in this Lease, except that the rent for the Option Term shall be as indicated in the Option Rent Notice if Tenant accepted the same concurrently with Tenant’s Acceptance, otherwise the parties shall follow the procedure and the Option Rent shall be determined, as set forth in Section 31(d) below. If Tenant provides the Interest Notice but informs Landlord within fifteen (15) business days after receipt of the Option Rent Notice that it does not elect to exercise the Option, then Tenant’s Interest Notice shall be rescinded and Tenant shall not be deemed to have exercised its Option.

(d) Determination of Option Rent. If Tenant timely and appropriately objects to Landlord’s determination of the Option Rent in Tenant’s Acceptance, Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement within thirty (30) days following Tenant’s Acceptance (“Outside Agreement Date”), then each party shall make a separate determination of the Option Rent which shall be submitted to each other and to arbitration in accordance with the following items (i) through (vii):

(i) Landlord and Tenant shall each appoint, within ten (10) business days of the Outside Agreement Date, one arbitrator who shall by profession be a current real estate broker or appraiser of comparable commercial properties in the immediate vicinity of the Project, and who has been active in such field over the last five (5) years. The determination of the arbitrators shall be limited solely to the issue of whether Landlord’s or Tenant’s submitted Option Rent is the closest to the actual Market Rent as determined by the arbitrators, taking into account the requirements of item (b), above (i.e., the arbitrators may only select Landlord’s or Tenant’s determination of Option Rent and shall not be entitled to make a compromise determination).
(ii) The two (2) arbitrators so appointed shall within five (5) business days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third (3rd) arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) arbitrators years but who shall not have been directly employed by either party in the past three (3) years (it being agreed that such prohibition shall not apply to independent contractors and commercial real estate brokers engaged pursuant to a commission agreement).

(iii) The three (3) arbitrators shall within fifteen (15) days of the appointment of the third (3rd) arbitrator reach a decision as to whether the parties shall use Landlord’s or Tenant’s submitted Market Rent, and shall notify Landlord and Tenant thereof.

(iv) The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant.

(v) If either Landlord or Tenant fails to appoint an arbitrator within ten (10) business days after the applicable Outside Agreement Date, the arbitrator appointed by one (1) of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator’s decision shall be binding upon Landlord and Tenant.

(vi) If the two (2) arbitrators fail to agree upon and appoint a third (3rd) arbitrator, or both parties fail to appoint an arbitrator, then the appointment of the third (3rd) arbitrator or any arbitrator shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association, but subject to the instruction set forth in this item (d).

(vii) The cost of arbitration shall be paid by Landlord and Tenant equally.

**ARTICLE 32**

**RIGHT OF FIRST OFFER**

(a) **Right of First Offer.** Subject to the following terms and conditions, Landlord hereby grants to Tenant an on-going right of first offer with respect to any space located within Pods 2, 3, 4 or 5 of the Project outlined on Exhibit “A” attached hereto and made a part hereof (collectively, “First Offer Space”). Notwithstanding the foregoing (i) such first offer right of Tenant shall become effective only following the expiration or earlier termination of (A) any existing lease pertaining to the First Offer Space, and (B) as to any First Offer Space which is not leased as of the date of this Lease, the first lease pertaining to any portion of such First Offer Space entered into by Landlord after the date of this Lease (collectively, the “Superior Leases”), including any renewal or extension of such existing or future lease, whether or not such renewal or extension is pursuant to an express written provision in such lease, and regardless of whether any such renewal or extension is consummated pursuant to a lease amendment or a new lease, and (ii) Tenant’s first offer right shall be subordinate and secondary to all rights of expansion, first refusal, first offer or similar rights previously granted pursuant to leases fully executed prior to the date of this Lease to (A) the tenants of the Superior Leases and (B) any other tenant of the Project (the rights described in items (i) and (ii), above to be known collectively as “Superior Rights”). Tenant’s right of first offer shall be on the terms and conditions set forth in this Article 32.

(i) **Procedure for Offer.** Landlord shall notify Tenant (the “First Offer Notice”) from time to time when Landlord determines that Landlord shall commence the marketing of any First Offer Space because such space shall become available for lease to third parties, where no holder of a Superior Right desires to lease such space. The First Offer Notice shall describe the space so offered to Tenant and shall set forth Landlord’s proposed material economic terms and conditions applicable to Tenant’s lease of such space (collectively, the “Economic Terms”), including the proposed rent payable for the First Offer Space (but it being agreed that such term shall be calculated as the greater of (i) the remaining Term then applicable to the original Premises and (2) five (5) years. Notwithstanding the foregoing, Landlord’s obligation to deliver the First Offer Notice shall not apply during the last nine (9) months of the initial Term unless Tenant has delivered an Interest Notice to Landlord pursuant to Section 31(c) above (with specific reference to Tenant’s right to send an early Interest Notice as expressly provided therein) or otherwise extended the Term of this Lease nor shall Landlord be obligated to deliver the First Offer Notice during the last eight (8) months of the initial Term unless Tenant has delivered Tenant’s Acceptance to Landlord pursuant to Section 31(c) above or is deemed to have delivered the same.
(ii) Procedure for Acceptance. If Tenant wishes to exercise Tenant’s right of first offer with respect to the space described in the First Offer Notice, then within fifteen (15) business days after delivery of the First Offer Notice to Tenant, Tenant shall deliver an unconditional irrevocable notice to Landlord of Tenant’s exercise of its right of first offer with respect to the entire space described in the First Offer Notice, and the Economic Terms shall be as set forth in the First Offer Notice. If Tenant does not unconditionally exercise its right of first offer within the fifteen (15) business day period, then Landlord shall be free to lease the space described in the First Offer Notice to anyone to whom Landlord desires on any terms Landlord desires and Tenant’s right of first offer shall terminate as to the First Offer Space described in the First Offer Notice; provided, however, that (1) if Landlord has not leased the First Offer Space described in the First Offer Notice within nine (9) months after the date of the First Offer Notice, then Landlord shall again offer such First Offer Space to Tenant prior to leasing such space to a third (3rd) party tenant pursuant to the procedure set forth in this Article 32, and (2) if Landlord intends to enter into a lease upon Economic Terms which are equal to or more than five percent (5%) more favorable to a third (3rd) party tenant than those Economic Terms proposed by Landlord in the First Offer Notice (blending all concessions on a straight-line basis over the applicable lease terms), Landlord shall first deliver written notice to Tenant (“Second Chance Notice”) providing Tenant with the opportunity to lease the First Offer Space on such more favorable Economic Terms. Tenant’s failure to elect to lease the First Offer Space upon such more favorable Economic Terms by written notice to Landlord within ten (10) business days after Tenant’s receipt of such Second Chance Notice from Landlord shall be deemed to constitute Tenant’s election not to lease such space upon such more favorable Economic Terms, in which case Landlord shall be entitled to lease such space to any third (3rd) party on terms no more favorable to the third (3rd) party than those set forth in the Second Chance Notice. Tenant’s failure to elect to lease the First Offer Space upon such more favorable Economic Terms by written notice to Landlord within ten (10) business days after Tenant’s receipt of such Second Chance Notice from Landlord shall be deemed to constitute Tenant’s election not to lease such space upon such more favorable Economic Terms, in which case Landlord shall be entitled to lease such space to any third (3rd) party on terms no more favorable to the third (3rd) party than those set forth in the Second Chance Notice. If Landlord does not lease such First Offer Space to a third (3rd) party tenant pursuant to the terms and conditions of this Section 32(a) above, Tenant shall have no further right to lease such First Offer Space until the expiration or earlier termination of such lease, in which event the rights set forth herein shall again apply. Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its right of first offer, if at all, with respect to all of the space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease only a portion thereof.

(iii) Construction of First Offer Space. Tenant shall take the First Offer Space in its “as-is” condition, and Tenant shall be entitled to construct improvements in the First Offer Space in accordance with the provisions of Article 9 of this Lease.

(iv) Lease of First Offer Space. If Tenant timely and properly exercises Tenant’s right to lease the First Offer Space as set forth herein, Landlord and Tenant shall execute an amendment adding such First Offer Space to this Lease upon the same non-economic terms and conditions as applicable to the initial Premises, and the economic terms and conditions as provided in this Section 32(a). Unless otherwise specified in Landlord’s Economic Terms, Tenant shall commence payment of rent for the First Offer Space and the Term of the First Offer Space shall commence upon the date of delivery of such space to Tenant.

(v) No Defaults. The rights contained in this Section 32(a) shall be personal to the Original Tenant, and may only be exercised by the Original Tenant and an Affiliated Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant’s interest in this Lease) if the Original Tenant or such Affiliated Assignee occupies at least fifty percent (50%) of the Premises as of the date of the First Offer Notice. Tenant shall not have the right to lease First Offer Space as provided in this Section 32(a) if, as of the date of the First Offer Notice, or, at Landlord’s option, as of the scheduled date of delivery of such First Offer Space to Tenant, Tenant is in default under this Lease beyond applicable notice and cure periods.

ARTICLE 33
SIGNAGE

Tenant shall have the right, at Tenant’s sole cost and expense, to install (i) façade signage above the entrance to the Premises on the Project’s exterior at a location to be mutually agreed upon by Landlord and Tenant and (ii) the top strip on the Project’s “monument” sign at the Project entrance (collectively, “Tenant’s Signage”). Tenant’s Signage shall be subject to Landlord’s approval as to size, design, location, graphics, materials, colors and similar specifications.
Provided that Tenant’s signage shall be consistent with the exterior design, materials and appearance of the Project and the Project’s signage program now in effect (or hereafter adopted by Landlord in good faith), Landlord shall not unreasonably withhold, condition, or delay its consent to Tenant’s signage and agrees that its approval shall not be withheld solely on the basis of Tenant’s logo and trade dress. Tenant’s Signage subject to all applicable local governmental laws, rules, regulations, codes and Tenant’s receipt of all permits and other governmental approvals and any applicable covenants, conditions and restrictions. Tenant’s Signage shall be personal to the Original Tenant, or an Affiliated Assignee, any other assignee of this Lease permitted in accordance with Article 15, and any sublease to an Affiliate or other third party provided that such sublease is for at least 90% of the Premises and 90% of the remaining term (but in no event less than five (5) years). Landlord has the right, but not the obligation, to oversee the installation of Tenant’s Signage. The cost to maintain and operate, if any, Tenant’s Signage shall be paid for by Tenant. The cost of any utility usage for Tenant’s Signage shall also be paid for by Tenant. Upon the expiration of the Term, or other earlier termination of this Lease, Tenant shall be responsible for any and all costs associated with the removal of Tenant’s Signage, including, but not limited to, the cost to repair and restore the Project to its original condition, normal wear and tear excepted.

[ Signatures appear on following page ]

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IN WITNESS WHEREOF, the parties have executed this Lease, consisting of the foregoing provisions and Articles, including all exhibits and other attachments referenced therein, as a sealed Massachusetts instrument as of the date first above written.

“LANDLORD”  
IQHQ-4 CORPORATE, LLC,  
a Delaware limited liability company  

By: /s/ Tracy a. Murphy  
Print Name: Tracy A. Murphy  
Title: President

“TENANT”  
ONCORUS, INC., a Delaware corporation  

By: /s/ Ted Ashburn  
Print Name: Ted Ashburn  
Title: CEO
EXHIBIT “A”

PREMISES

4 Corporate Drive
1st Floor

Note: ground floor lease space is shaded area with the chemical storage area being the smaller yellow highlighted area to the right.

EXHIBIT “A”

-1-
EXHIBIT “A-1”

BUILDING/LABORATORY SYSTEMS MAINTAINED BY LANDLORD

Description

1. Central vacuum system
2. Central di-ionized/Reverse Osmosis water system
3. High pressure steam system
4. Process cooling water system
5. Base building security and card access system
6. Central Uninterruptible Power System (UPS) in Pods 4 and 5
7. Emergency electrical power distribution system
8. pH neutralization system (subject to use and permit by the Greater Lawrence Sanitary District)
9. Hot and cold potable and non-potable water systems
10. Compressed air distribution
11. Elevators
12. Air handler #6 and applicable Exhaust fan
EXHIBIT “B”

RULES AND REGULATIONS

1. No sign, advertisement or notice shall be displayed, printed or affixed on or to the Premises or to the outside or inside of the Project or so as to be visible from outside the Premises or Project without Landlord’s prior written consent. Landlord shall have the right to remove any non-approved sign, advertisement or notice, without notice to and at the expense of Tenant, and Landlord shall not be liable in damages for such removal. All Tenant’s approved signs or lettering on doors and walls visible from outside the Premises shall be printed, painted, affixed or inscribed at the expense of Tenant by Landlord or by a person selected by Landlord and in a manner and style acceptable to Landlord.

2. Tenant shall not obtain for use on the Premises ice, waxing, cleaning, interior glass polishing, rubbish removal, towel or other similar services, or accept barbering or bootblackening, or coffee cart services, milk, soft drinks or other like services on the Premises, except from persons authorized by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed, and at the hours and under regulations reasonably fixed by Landlord. No vending machines or machines of any description shall be installed, maintained or operated upon the Premises without Landlord’s prior written consent, other than vending machines for the sole use of Tenant, its employees and visitors.

3. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by Tenant or used for any purpose other than for ingress and egress from Tenant’s Premises. Under no circumstances is trash to be stored in the corridors. Notice must be given to Landlord for any large deliveries. Furniture, freight and other large or heavy articles, and all other deliveries may be brought into the Project only at times and in the manner reasonably designated by Landlord, and always at Tenant’s sole responsibility and risk. Landlord may impose reasonable charges for use of freight elevators after or before normal business hours. All damage done to the Project by Tenant’s moving or maintaining such furniture, freight or articles shall be repaired by Landlord at Tenant’s actual, reasonable expense. Tenant shall not take or permit to be taken in or out of entrances or passenger elevators of the Project, any item normally taken, or which Landlord otherwise reasonably requires to be taken, in or out through service doors or on freight elevators. Tenant shall move all supplies, furniture and equipment as soon as reasonably possible after received directly to the Premises, and shall move all waste that is at any time being taken from the Premises directly to the areas reasonably designated for disposal.

4. Toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein.

5. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, ceilings or floor or in any way deface the Premises, except as is normal and customary to hang decorations in the Premises or as otherwise approved by Landlord as an Alteration in accordance with the terms of the Lease. Tenant shall not place typed, handwritten or computer generated signs in the corridors or any other common areas. Should there be a need for signage additional to the Project standard tenant placard, a written request shall be made to Landlord to obtain approval prior to any installation. All costs for said signage shall be Tenant’s responsibility.

6. In no event shall Tenant place a load upon any floor of the Premises or portion of any such flooring exceeding the floor load per square foot of area for which such floor is designed to carry and which is allowed by law, or any machinery or equipment which shall cause excessive vibration to the Premises or noticeable vibration to any other part of the Project. Prior to bringing any heavy safes, vaults, large computers or similarly heavy equipment into the Project, Tenant shall inform Landlord in writing of the dimensions and weights thereof and shall obtain Landlord’s consent thereto. Such consent shall not constitute a representation or warranty by Landlord that the safe, vault or other equipment complies, with regard to distribution of weight and/or vibration, with the provisions of this Rule 6 or relieve Tenant from responsibility for the consequences of such noncompliance, and any such safe, vault or other equipment which Landlord determines to constitute a danger of damage to the Project or a nuisance to other tenants, either alone or in combination with other heavy and/or vibrating objects and equipment, shall be promptly removed by Tenant, at Tenant’s cost, upon Landlord’s written notice of such determination and demand for removal thereof.

EXHIBIT “B”

-1-
7. Tenant shall not use or keep in the Premises or Project any kerosene, gasoline or inflammable, explosive or combustible fluid or material, or use any method of heating or air-conditioning other than that supplied by Landlord.

8. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed.

9. Tenant shall not install or use any blinds, shades, awnings or screens in connection with any window or door of the Premises visible from outside the Premises and shall not use any drape or window covering facing any exterior glass surface other than the standard drapes, blinds or other window covering reasonably established or approved by Landlord.

10. Tenant shall cooperate with Landlord in obtaining maximum effectiveness of the cooling system by closing window coverings when the sun’s rays fall directly on windows of the Premises. Tenant shall not obstruct, alter, or in any way impair the efficient operation of Landlord’s heating, ventilating and air-conditioning system. Tenant shall not tamper with or change the setting of any thermostats or control valves. Tenant shall participate in recycling programs reasonably undertaken by Landlord as part of Landlord’s sustainability practices including, without limitation, the sorting and separation of its trash and recycling into such categories as required by such sustainability practices.

11. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the permitted use of the Premises. Tenant shall not, without Landlord’s prior written consent, occupy or permit any portion of the Premises to be occupied or used for the manufacture or sale of liquor or tobacco in any form, or a barber or manicure shop, or as an employment bureau. The Premises shall not be used for lodging or sleeping or for any improper, objectionable or immoral purpose. No auction shall be conducted on the Premises.

12. Tenant shall not make, or permit to be made, any unseemly or disturbing noises, or unreasonably disturb or interfere with occupants of Project or neighboring buildings or premises or those having business with it by the use of any musical instrument, radio, phonographs or unusual noise, or in any other way.

13. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the Premises, and no cooking shall be done or permitted by any tenant in the Premises, except that the preparation of coffee, tea, hot chocolate, food items typically prepared or microwaved in office pantries, and similar items for tenants, their employees and visitors shall be permitted. No tenant shall cause or permit any unusual or objectionable odors to be produced in or permeate from or throughout the Premises. The foregoing notwithstanding, Tenant shall have the right to use a microwave, to heat microwavable items typically heated in an office, and to use a standard toaster for toasting bagels and other types of bread. No hot plates or similar open element cooking apparatus shall be permitted in the Premises.

14. The sashes, sash doors, skylights, windows and doors that reflect or admit light and air into the halls, passageways or other public places in the Project shall not be covered or obstructed by any tenant, nor shall any bottles, parcels or other articles be placed on the window sills. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Project must be of a quality, type, design and bulb color approved in advance by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed.

15. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanisms thereof unless Landlord is first notified thereof, gives written approval, such approval not to be unreasonably withheld, conditioned, or delayed, and is furnished a key therefor. Each tenant must, upon the termination of his tenancy, give to Landlord all keys and key cards of stores, offices, or toilets or toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall reasonably deem it necessary to make such change. If more than two keys for one lock are desired, Landlord will provide them upon payment therefor by Tenant. Tenant shall not key or re-key any locks. All locks shall be keyed by Landlord’s locksmith only.

EXHIBIT “B”

-2-
16. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's reasonable opinion, tends to impair the reputation of the Project or its desirability as an office building and upon written notice from Landlord any tenant shall refrain from and discontinue such advertising.

17. Landlord reserves the right to control access to the Project by all persons after reasonable hours of generally recognized business days and at all hours on Sundays and legal holidays and may at all times control access to the equipment areas of the Project outside the Premises. Each tenant shall be responsible for all persons for whom it requests after-hours access and shall be liable to Landlord for all acts of such persons. Landlord shall have the right from time to time to establish reasonable rules and charges pertaining to freight elevator usage, including the allocation and reservation of such usage for tenants' initial move-in to their premises, and final departure therefrom. Landlord may also establish from time to time reasonable rules and charges for accessing the equipment areas of the Project, including the risers, rooftops and telephone closets.

18. Any person employed by any tenant to do janitorial work shall, while in the Project and outside of the Premises, be subject to and under the control and direction of the Office of the Project or its designated representative such as security personnel (but not as an agent or servant of Landlord).

19. All doors opening on to public corridors shall be kept closed, except when being used for ingress and egress. Tenant shall cooperate and comply with any reasonable safety or security programs, including fire drills and air raid drills, and the appointment of "fire wardens" developed by Landlord for the Project, or required by law. Before leaving the Premises unattended, Tenant shall close and securely lock all doors or other means of entry to the Premises and shut off all lights and water faucets in the Premises.

20. Reserved.

21. Canvassing, soliciting and peddling in the Project are prohibited and each tenant shall cooperate to prevent the same.

22. All office equipment of any electrical or mechanical nature shall be placed by tenants in the Premises in settings reasonably approved by Landlord, to absorb or prevent any vibration, noise or annoyance outside of the Premises.

23. No air-conditioning unit or other similar apparatus shall be installed or used by any tenant without the prior written consent of Landlord. Tenant shall pay the cost of all electricity used for air-conditioning in the Premises if such electrical consumption exceeds normal office requirements, regardless of whether additional apparatus is installed pursuant to the preceding sentence.

24. There shall not be used in any space, or in the public halls of the Project, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

25. All electrical fixtures hung in offices or spaces along the perimeter of the Project must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall not permit the consumption in the Premises of more than 2½ watts per net usable square foot in the Premises in respect of office lighting. In the event that such limits are exceeded, Landlord shall have the right to require Tenant to remove lighting fixtures and equipment and/or to charge Tenant for the cost of the additional electricity consumed.


(a) Subject to Landlord's reasonable security requirements, repairs made by Landlord to the Project pursuant to the terms of the Lease and Articles 16 and 18 of the Lease, Tenant shall have access to the Project parking facility twenty-four (24) hours per day, seven (7) days per week throughout the Term.

(b) Automobiles must be parked entirely within the stall lines on the floor.

EXHIBIT “B”
(c) All directional signs and arrows must be observed.
(d) The speed limit shall be 5 miles per hour.
(e) Parking is prohibited in areas not striped for parking.
(f) Parking cards or any other device or form of identification supplied by Landlord (or its operator) shall remain the property of Landlord (or its operator). Such parking identification device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Devices are not transferable or assignable and any device in the possession of an unauthorized holder will be void. There will be a replacement charge to the Tenant or person designated by Tenant of $30.00 for loss of any parking card.
(g) The monthly rate for parking is payable one (1) month in advance and must be paid by the third business day of each month. No deductions or allowances from the monthly rate will be made for days parker does not use the parking facilities.
(h) Tenant may validate visitor parking by such method or methods as the Landlord may approve, such approval not to be unreasonably withheld, conditioned, or delayed, at the validation rate from time to time generally applicable to visitor parking.
(i) Landlord (and its operator) may refuse to permit any person who intentionally or knowingly violates the within rules to park in the Project parking facility more than three (3) times, and any violation of the rules shall subject the automobile to removal from the Project parking facility at the parker’s expense. In either of said events, Landlord (or its operator) shall refund a prorata portion of the current monthly parking rate and the sticker or any other form of identification supplied by Landlord (or its operator) will be returned to Landlord (or its operator).
(j) Project parking facility managers or attendants are not authorized to make or allow any exceptions to these Rules and Regulations.
(k) All responsibility for any loss or damage to automobiles or any personal property therein is assumed by the parker.
(l) Loss or theft of parking identification devices from automobiles must be reported to the Project parking facility manager immediately, and a lost or stolen report must be filed by the parker at that time.
(m) The parking facilities are for the sole purpose of parking one automobile per space. Washing, waxing, cleaning or servicing of any vehicles by the parker or his agents is prohibited.
(n) intentionally deleted.
(o) Tenant agrees to acquaint all employees with these Rules and Regulations.
(p) No vehicle shall be stored in the Project parking facility for a period of more than one (1) week.

27. The Project is a non-smoking Project. Smoking or carrying lighted cigars or cigarettes in the Premises or the Project, including the elevators in the Project, is prohibited.

28. Tenant shall not, without Landlord’s prior written consent (which consent may be granted or withheld in Landlord’s absolute discretion), allow any employee or agent to carry any type of gun or other firearm in or about any of the Premises or Project.
EXHIBIT “C”

NOTICE OF TERM DATES
AND TENANT’S PROPORTIONATE SHARE

TO: ______________________________

DATE: ____________________________

RE: Lease dated ___________, 20__, between ________________________________ (“Landlord”), and
_________________________ ______________________________ (“Tenant”), concerning Suite ________, located at
__________________________________________.

Ladies and Gentlemen:

In accordance with the Lease, Landlord wishes to advise and/or confirm the following:

1. That the Premises have been accepted herewith by the Tenant as being substantially complete in accordance with the Lease and that there is no
deficiency in construction, except as follows: ______________________________.

2. That the Tenant has taken possession of the Premises and acknowledges that under the provisions of the Lease the Term of said Lease shall
commence as of ____________ for a term of ________________________ ending on ________________________.

3. That in accordance with the Lease, Basic Rental commenced to accrue on ________________________.

4. If the respective Commencement Date of the Lease is other than the first day of the month, the first billing will contain a prorata adjustment.
Each billing thereafter shall be for the full amount of the monthly installment as provided for in said Lease.

5. Rent is due and payable in advance on the first day of each and every month during the Term of said Lease. Your rent checks should be made
payable to ________________________ at ________________________________________________.

6. The exact number of rentable square feet within the Premises is ________ square feet.

7. Tenant’s Proportionate Share, as adjusted based upon the exact number of rentable square feet within the Premises is ________%.

AGREED AND ACCEPTED:

TENANT:

a ________________________________

By: ________________________________

Its: ________________________________

EXHIBIT ONLY
***DO NOT SIGN***

EXHIBIT “C”
-1-
This Tenant Work Letter shall set forth the terms and conditions relating to the renovation of the tenant improvements in the Premises.

SECTION 1

LANDLORD’S CONSTRUCTION

1.1 Landlord’s Initial Construction. Landlord has constructed, at its sole cost and expense, the base, shell and core (i) of the Premises, and (ii) of the floor of the Project on which the Premises is located (collectively, the "Base, Shell and Core"). Tenant has inspected and hereby approves the condition of the Premises and the Base, Shell and Core, and agrees that the Premises and the Base, Shell and Core shall be delivered to Tenant in their current "as-is" condition; provided, however, Landlord shall deliver the Premises to Tenant in broom clean condition with the mechanical, plumbing, common HVAC systems, life/safety, and other Building systems servicing the Premises in good working order and condition no later than the Estimated Delivery Date (as defined in the Lease) as such date may be extended under Article 2 of the Lease. If Landlord fails to deliver the Premises to Tenant in the condition specified in the immediately preceding sentence, then Tenant may, as Tenant’s sole remedy (provided, however, Tenant shall retain any remedies under Article 2 and Section 30(bb) of the Lease and the foregoing shall not affect Landlord’s ongoing repair and maintenance obligations), notify Landlord in writing, which notice shall specify the particular items which are not in compliance and Landlord shall perform the work necessary to cause the Premises to be in the required condition. Tenant’s failure to deliver such written notice to Landlord within sixty (60) after the earlier of the Pod 4 Portion Commencement Date or the Pod 5 Portion Commencement Date, as the case may be, shall be deemed to constitute Landlord’s satisfaction of such obligation. If Tenant timely delivers such written notice to Landlord, Landlord shall, at Landlord’s sole cost and expense, promptly correct any such items (except to the extent that such repair is attributable to the acts or omissions of Tenant or Tenant’s contractors or agents (in which event Tenant shall be solely responsible for the same). The renovations to the improvements by or on behalf of Tenant in the Premises shall be designed and constructed pursuant to this Tenant Work Letter.

1.2 Landlord’s Base Building Work.

1.2.1 Notwithstanding anything to the contrary herein or in the Lease, in addition to the Base, Shell and Core, (i) Landlord shall use a contractor retained by Landlord pursuant to a guaranteed maximum price agreement, perform the work to install a loading dock to service the Premises (the "New Loading Dock"), and (ii) Landlord shall use a contractor retained by Landlord pursuant to a guaranteed maximum price agreement, additionally perform all or any portion of any exterior work to be performed outside of the Premises which relates to the New Loading Dock and which is expressly shown in the Approved Working Drawings (the "Exterior Work," and together with the New Loading Dock, the "Base Building Improvements") in substantial accordance with the Approved Working Drawings. Landlord may perform the Base Building Improvements after the actual Delivery Date and concurrently with Tenant performing the Improvements, subject to and in accordance with the Construction Schedule (defined in Section 1.8 below and otherwise subject to extension as a result of Tenant Delays and Uncontrollable Delays as provided herein), and Landlord shall use commercially reasonable efforts to cause the Base Building Improvements to be substantially completed by November 1, 2021 (the “Estimated Base Building Work Completion Date”). If the Base Building Improvements are not substantially complete by the Estimated Base Building Work Completion Date, as such date may be extended by any Tenant Delay (as defined in Section 1.9 below) or by any Uncontrollable Delay (as defined in Section 5.6 below), then as Tenant’s sole remedy for such failure, the Pod 5 Portion Commencement Date shall be delayed on a day-for-day basis until the Base Building Improvements are substantially complete.
1.2.2 Notwithstanding anything to the contrary herein or in the Lease, Landlord’s actual costs and other Improvement Allowance Items related to the construction of the Base Building Improvements up to the amount of the Base Building Allowance shall be deducted from the Base Building Allowance on a monthly progress basis in order to reimburse Landlord up to the amount of the Base Building Allowance in accordance with the procedure set forth in Section 1.2.2.1 below. If the actual costs and other Improvement Allowance Items related to the construction of the Base Building Improvements exceed the Base Building Allowance, then Tenant shall reimburse Landlord for such amounts as Additional Rent and in immediately payable funds, on a monthly basis within thirty (30) days after receipt of an invoice therefor (each a “Tenant’s Base Building Work Excess Payment”). Notwithstanding the foregoing, in no event shall Landlord be required to expend any amounts in excess of the Base Building Allowance in connection with the design and completion of the Base Building Improvements and any costs in excess of the Base Building Allowance shall be Tenant’s sole responsibility (but may be included as an Improvement Allowance Item).

1.2.2.1 With respect to any portion of the Base Building Allowance that is to be deducted by Landlord to pay for allowable costs that were incurred by Tenant in connection with the Base Building Improvements, as a condition to Landlord’s being entitled to deduct any portion of the Base Building Allowance for such costs, Landlord shall provide Tenant with a written statement (in substantial conformance with the G702 format) indicating the amount requested to be paid from the Base Building Allowance together with certification from Landlord’s contractor as to the portion of the Base Building Improvements that is completed, and Tenant shall provide its approval thereof (or detailed reasons for reasonable disapproval in writing) within seven (7) days after submission to Tenant. If Tenant reasonably disputes all or a portion of the amount submitted by Landlord, then Tenant shall provide a Refusal Notice within said seven (7) day period and the parties shall then follow the procedure set forth in the second paragraph of Section 2.2.1 below.

1.3 Additional Programming Information. Tenant shall deliver to Landlord, in writing, all information (collectively, the “Additional Programming Information”, including all architectural and engineering requirements) that will be sufficient for Landlord’s architect to incorporate Tenant’s requirements in the Base Building Construction Drawings (as defined herein). Tenant shall deliver to Landlord the Additional Programming Information in connection with the door openings and curtain wall on or prior to March 1, 2021, and the remaining Additional Programming Information on or prior to May 1, 2021 (with such dates to be referred to herein as the “Additional Programming Information Deadlines”). The Additional Programming Information shall be (a) consistent with Landlord’s requirements for avoiding aesthetic, engineering or other conflicts with the design and function of the balance of the Project (collectively, the “Landlord Requirements”), and (b) otherwise subject to Landlord’s approval, which approval shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem (in which event Landlord may withhold is approval in its sole but good faith discretion). Landlord shall provide Tenant with notice approving or reasonably disapproving the Additional Programming Information within ten (10) days after Landlord’s receipt thereof; however, if Landlord does not provide such approval or disapproval within such ten (10) day period, Tenant may so notify Landlord in writing and if Landlord again does not approve or disapprove such plans and specifications within five (5) business days after Landlord’s receipt of such notice, Landlord shall be deemed to have approved such plans and specifications. If Landlord disapproves the Additional Programming Information, Landlord’s notice of disapproval shall describe with reasonable specificity the basis for such disapproval and Tenant shall modify the Additional Programming Information and resubmit it for Landlord’s approval. Such procedure shall be repeated as necessary until Landlord has approved the Additional Programming Information. Such approved Additional Programming Information shall be referred to herein as the “Approved Additional Programming Information.” If requested by Tenant, Landlord, in its sole and absolute discretion, may assist Tenant, or cause the Architect and/or other contractors or consultants of Landlord to assist Tenant, in preparing all or a portion of the Additional Programming Information; provided, however, that, whether or not the Additional Programming Information is prepared with such assistance, Tenant shall be solely responsible for the timely preparation and delivery of the Additional Programming Information and for all elements thereof and, subject to Section 2.2.2 below, all costs relating thereto.

1.4 Base Building Construction Drawings. After approving the Additional Programming Information, Landlord shall cause Landlord’s architects and engineers to prepare and deliver to Tenant the final architectural and engineering (and, if applicable, structural) working drawings for the Base Building Improvements that are in a form that (a) when combined with the Approved Additional Programming Information but not expressly incorporated into such working
drawings, will be sufficient to enable Landlord’s contractor and its subcontractors to bid on the Base Building Improvements, and (b) will be sufficient
to obtain any permits for the Base Building Improvements (the “Base Building Construction Drawings”). The Base Building Construction Drawings
shall conform to the Approved Additional Programming Information. The architect’s preparation and delivery of the Base Building Construction
Drawings shall occur within fifteen (15) business days after Landlord’s approval of the Additional Programming Information. Tenant shall approve or
reasonably disapprove the Base Building Construction Drawings by notice to Landlord within ten (10) days after Tenant’s receipt thereof; however, if
Tenant does not provide such approval or disapproval within such ten (10) day period, Landlord may so notify Tenant in writing and if Tenant again
does not approve or disapprove such plans and specifications within five (5) business days after Tenant’s receipt of such notice, Tenant shall be deemed
to have approved such plans and specifications. If Tenant disapproves the Base Building Construction Drawings, then Tenant’s notice of disapproval
shall specify any revisions Tenant desires in the Base Building Construction Drawings. After receiving such notice of disapproval, Landlord shall cause
the architect to revise the Base Building Construction Drawings and resubmit them to Tenant, taking into account the reasons for Tenant’s disapproval;
provided, however, that Landlord shall not be required to cause the architect to make any revision to the Base Building Construction Drawings that
conflicts with the Landlord Requirements, is a Design Problem or is otherwise reasonably disapproved by Landlord. Such revision and resubmission
shall occur within five (5) business days after Landlord’s receipt of Tenant’s notice of disapproval if such revision is not material, and within such longer
period of time as may be reasonably necessary (but not more than fifteen (15) business days after such receipt) if such revision is material. Such
procedure shall be repeated as necessary until Tenant has approved the Base Building Construction Drawings. Such approved Base Building
Construction Drawings shall be referred to herein as the “Approved Base Building Construction Drawings.”

1.5 Construction Pricing. Within fifteen (15) business days after the Base Building Construction Drawings are approved by Landlord and Tenant,
Landlord shall provide Tenant with Landlord’s reasonable estimate (the “Construction Pricing Proposal”) of the cost of all Improvement Allowance
Items to be incurred by Tenant in connection with the design and construction of the Base Building Improvements pursuant to the Approved Base
Building Construction Drawings and the Approved Additional Programming Information, and which shall detail the application of the Base Building
Allowance and show any overage in the estimated aggregate cost for the design and construction of the Base Building Allowance and other allowable
costs in excess of the Base Building Allowance. The Construction Pricing Proposal shall include a line item stating the guaranteed maximum price
(which shall include a customary contingency amount) set forth in Landlord’s agreement with the general contractor for the Base Building
Improvements. Tenant shall provide Landlord with notice approving or reasonably disapproving the Construction Pricing Proposal within ten (10) days
after Tenant’s receipt thereof; however, if Tenant does not provide such approval or reasonable disapproval within such ten (10) day period, then
Landlord may so notify Tenant in writing and if Tenant again does not approve or disapprove such plans and specifications within five (5) days after
Tenant’s receipt of such notice, then Tenant shall be deemed to have approved the Construction Pricing Proposal. If Tenant disapproves the Construction
Pricing Proposal, then Tenant’s notice of reasonable disapproval shall be accompanied by proposed revisions to the Approved Base Building
Construction Drawings and/or the Approved Additional Programming Information that Tenant requests in order to resolve its objections to the
Construction Pricing Proposal, and Tenant shall respond as required under Section 1.6 below. Such procedure shall be repeated as necessary until the
Construction Pricing Proposal is approved by Tenant. Upon Tenant’s approval (or deemed approval) of the Construction Pricing Proposal, Landlord may
purchase the items set forth in the Construction Pricing Proposal and begin construction relating to such items in accordance with the Construction
Schedule (as hereinafter defined).

1.6 Revisions.

1.6.1 If Tenant or any party acting on behalf of Tenant requests any revisions to the Approved Additional Programming Information or the
Approved Base Building Construction Drawings (collectively, the “Approved Base Building Plans”), then Landlord shall provide Tenant with notice
approving or disapproving (such approval not to be unreasonably withheld, conditioned, or delayed) such revision, and, if Landlord approves such
revision, Landlord shall deliver to Tenant notice of any resulting change in the most recent Construction Pricing Proposal, together with an estimate of
the impact on the Construction Schedule, if any, together with a copy of the revision itself, in the case of the Approved Additional Programming
Information, within

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five (5) business days (or, in the case of the Approved Base Building Construction Drawings that requires use of a third-party, within fifteen (15) business days, otherwise within five (5) business days) after Landlord’s receipt of such request, whereupon Tenant, within two (2) business days, shall notify Landlord whether it desires to proceed with such revision; however, if Tenant does not provide such authorization within such two (2) business day period, then Landlord may so notify Tenant in writing and if Tenant again does not authorize such revision within one (1) business day after Tenant’s receipt of such notice, Tenant shall be deemed to have declined proceeding with such revision. Without limitation, it shall be deemed reasonable for Landlord to disapprove any such proposed revision that conflicts with the Landlord Requirements.

1.6.2 Except in connection with changes (i) required by Code, (ii) to comply the Approved Base Building Construction Drawings or (iii) otherwise necessitated due to unforeseen physical conditions, Landlord shall not materially revise the Approved Base Building Plans without Tenant’s consent. However, any non-material field changes may be made without Tenant’s consent. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any material revision to the Approved Base Building Plans within two (2) business days after receiving Landlord’s request for approval thereof; however, if Tenant does not provide such approval or disapproval within such two (2) business day period, Landlord may so notify Tenant in writing and if Tenant again does not approve or disapprove such revision within one (1) business day after Tenant’s receipt of such notice, Tenant shall be deemed to have approved such revision. For purposes hereof, any change order affecting the Approved Base Building Plans shall be deemed a revision thereto.

1.7 Approval Deadline. The parties shall agree upon the Construction Pricing Proposal pursuant to Section 1.5 above on or before Approval Deadline (defined below). As used in this Tenant Work Letter, “Approval Deadline” means the date which is forty-five (45) days after the Base Building Construction Drawings are approved by Landlord and Tenant.

1.8 Construction Schedule. Landlord and Tenant shall cooperate with the other party and the other party’s architect, contractor and other consultants to mutually agree upon a detailed critical path construction schedule containing the major components of the Base Building Improvements and the Improvements (the “Construction Schedule”) which will enable Landlord to complete the Base Building Improvements and Tenant to complete the Improvements as required in this Tenant Work Letter. Tenant may request to modify the agreed upon Construction Schedule for the Base Building Improvements upon at least ten (10) days’ prior written notice to Landlord in the event Tenant determines, in Tenant’s good faith and reasonable discretion, that it is reasonably necessary for any component of the Improvements to be performed ahead of any component of the Base Building Improvements in order to reduce or eliminate impact on completing the Improvements, provided the aggregate delays to the Construction Schedule shall not exceed a total of ninety (90) days in connection with Tenant’s exercise of its right pursuant to this Section 1.8 to request any such modification. If Tenant requests to modify the agreed upon Construction Schedule for the Base Building Improvements, any actual delay in completing the Base Building Improvements as a result of such modification to the Construction Schedule shall be a Tenant Delay and any actual costs incurred by Landlord as a result of such modification to the Construction Schedule shall be reimbursed by Tenant to Landlord, which costs may be deducted by Landlord from the Base Building Allowance as part of Improvement Allowance Items or otherwise paid by Tenant as part of Tenant’s Base Building Work Excess Payments in accordance with the provisions of this Tenant Work Letter. Landlord agrees to provide Tenant with a good faith estimate of the actual delay and costs that would be incurred if Tenant elects to modify the agreed upon Construction Schedule for the Base Building Improvements prior to effectuating such modification or taking acts in furtherance thereof; provided, however, if Tenant elects to proceed with such modification, such estimate shall not limit the amount of delay or costs for which Tenant is responsible.

SECTION 2
IMPROVEMENTS

2.1 Improvement Allowance. Tenant shall be entitled to a one-time improvement allowance (the “Improvement Allowance”) in the amount of $13,227,600.00 (based on $150.00 per rentable square foot of the Premises) for the costs relating to the initial design and construction of Tenant’s improvements which are permanently affixed to the Premises or exclusively serving the Premises) (the “Improvements”) and for the other Improvement Allowance Items described

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in Section 2.2 below. In addition to the Improvement Allowance and subject to the terms and conditions of Section 1.2 above, Tenant shall be entitled to a one-time additional base building allowance (the “Base Building Allowance”) in the amount of $1,000,000.00 for the costs relating to the initial design and construction of the Base Building Improvements and for the other Improvement Allowance Items described in Section 2.2 below and it being agreed that any unused portion of the Base Building Allowance may be applied to the Improvement Allowance Items otherwise relating to the Tenant’s Improvements and the costs incurred by Tenant for exterior work, structural frames and/or footings, or other base building work performed by Tenant as part of the Improvements. In no event shall the Base Building Allowance be utilized toward the costs of Improvements except as provided above and in no event shall the Improvement Allowance be used toward the cost of construction of the Base Building Improvements; provided, however, both the Base Building Allowance and Improvement Allowance may be used toward the costs of the Improvement Allowance Items. In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter (including for Improvement Allowance Items described in Section 2.2 below) in a total amount which exceeds the Improvement Allowance, the Base Building Allowance and the Test Fit Allowance. Further, in no event shall Tenant be entitled to any credit for any portion of the Improvement Allowance and/or the Base Building Allowance not used or requested by Tenant on the date that is eighteen (18) months after the latest to occur of (i) the Pod 4 Portion Commencement Date or (ii) Pod 5 Commencement Date, as the case may be. In addition to the Improvement Allowance and Base Building Allowance, Landlord hereby agrees to reimburse Architect to prepare a “test fit” plan for the Premises and one (1) revision thereto, up to $8,818.40 (based upon $0.10 per rentable square foot of the Premises) (the “Test Fit Allowance”).

2.2 Disbursement of the Improvement Allowance. Except as set forth in Section 1.2 above and as otherwise set forth in this Tenant Work Letter, the Improvement Allowance and Base Building Allowance, as the case may be, shall be disbursed by Landlord (each of which disbursements shall be made pursuant to Landlord’s disbursement process provided below) to Tenant (or at Landlord’s election, to Contractor) with respect to the Improvements and to Landlord (by deduction) with respect to the Base Building Improvements for the actual costs related to the design and construction of the Improvements and/or the Base Building Improvements and for the following items and costs associated with each respectively (collectively, the “Improvement Allowance Items”): (i) payment of the fees of the “Architect” and the “Engineers,” as those terms are defined in Section 3.1 of this Tenant Work Letter in connection with design of the Improvements, payment of fees to Landlord’s architect and contractor in connection with design of the Base Building Improvements, payment of fees to consultants and other contractors (including, without limitation, project manager and construction manager), and, subject to the terms and conditions of Section 4.3 below, payment of the actual, out-of-pocket fees incurred by, and the actual, out-of-pocket cost of documents and materials supplied by, Landlord and Landlord’s consultants in connection with the preparation and review of the “Construction Drawings,” as that term is defined in Section 3.1 of this Tenant Work Letter or the “Base Building Construction Drawings,” as that term is defined in Section 1.5 of this Tenant Work Letter; (ii) the cost of permits, inspections, and construction supervision fees; (iii) the cost of any changes in the “Code” (it being agreed that Tenant may apply for reimbursement of telecommunications/data wiring with respect to the Improvement Allowance only); (iv) the “Landlord Coordination Fee”, as that term is defined in Section 4.3 of this Tenant Work Letter; (vii) the “Architect” and the “Engineers,” as those terms are defined in Section 3.1 of this Tenant Work Letter; (viii) all actual costs incurred by Landlord as a result of Tenant’s request to modify the Construction Schedule pursuant to Section 1.8 above after mutual agreement of the Construction Schedule to the extent that Section 1.8 permits reimbursement of the same, and (viii) any actual out-of-pocket expenses incurred by Landlord as a direct result of Tenant’s performance of the Improvements or the Base Building Improvements subject to the terms and conditions of Section 4.3 below. However, in no event shall more than $1,999,164.40 (calculated as fifteen percent (15%) of the Improvement Allowance) or more than $150,000.00 of the Base Building Allowance (calculated as fifteen percent (15%) of the Base Building Allowance) be used for the items described in (i) and (ii) above; any additional amount incurred as a result of (i) and (ii) above shall be paid by Tenant. In no event shall the Improvement Allowance or Base Building Allowance be used for any relocation costs, furniture, fixtures and equipment or holdover rent. During the construction of the Improvements and Base Building Improvements, Landlord shall make monthly disbursements of the Improvement Allowance and/or monthly deductions from the

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Base Building Allowance (as the case may be) for Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant in the case of the Improvement Allowance and shall authorize deductions in the case of the Base Building Allowance, as follows (it being agreed that the following provisions shall apply separately but in the same manner as it relates to the disbursement of the Improvement Allowance or deductions from the Base Building Allowance, as applicable and otherwise mutatis mutandis):

2.2.1 Monthly Disbursements/Deductions. The Improvement Allowance (with respect to the Improvement Allowance Items set forth in clauses (i), (ii) as to permits, and (vii) of Section 2.2 above only) in connection with the Improvement Allowance and Base Building Allowance, as the case may be, will be available for monthly disbursements or deduction from and after the date of this Lease subject to the requirements set forth in this Tenant Work Letter and thereafter the remaining portion of the Improvement Allowance and Base Building Allowance will be available after the commencement of construction of the Improvements and/or the Base Building Improvements, as the case may be, for monthly disbursements or deduction subject to the requirements set forth in this Tenant Work Letter. Not more than once per calendar month, Tenant shall deliver to Landlord: (i) a request for payment of the “Contractor,” as that term is defined in Section 4.1 of this Tenant Work Letter, approved by Tenant, in a commercially reasonable form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Improvements in the Premises, reasonably detailing the portion of the work completed and the portion not completed; (ii) invoices from “Tenant’s Agents,” as that term is defined in Section 4.2 of this Tenant Work Letter, for labor rendered and materials delivered to the Premises for which Tenant is requesting disbursement from the Improvement Allowance; (iii) executed conditional mechanic’s lien releases in statutory form from the Tenant’s Agents who performed work or provided services for which Tenant is requesting disbursement, such lien releases to comply with the appropriate provisions, as reasonably determined by Landlord, of any requirements under applicable laws; and (iv) all other information reasonably requested by Landlord. Thereafter, Landlord shall deliver a check to Tenant within thirty (30) days of receipt of Tenant’s requisition request in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2.1, above, less a five percent (5%) retention (the aggregate amount of such retentions to be known as the “Final Retention”), and (B) the balance of any remaining available portion of the Improvement Allowance (not including the Final Retention).

Landlord shall have the option to inspect and approve the applicable Improvements for compliance with the “Approved Working Drawings,” as that term is defined in Section 3.5 below, and verify the invoices and waivers; provided, however, such review, approval and verification shall not extend the thirty (30) day period within which Landlord shall make payment to Tenant for the amount set forth in the requisition request, except as expressly provided below. If Landlord reasonably disputes all or a portion of the amount of the requisition request, then Landlord shall inform Tenant of the same by written notice explaining Landlord’s reasons, in reasonable detail, why some or all of the amounts described in Tenant’s requisition request are not due and payable by Landlord (“Refusal Notice”) and Landlord (and, at Landlord’s election, Landlord’s architect and/or engineer for the Project) shall meet to discuss the matter with Tenant (and, at Tenant’s election, member of its design and construction team) (which meeting may be held via audio and/or video conferencing call (e.g. Zoom) or a similar medium) as soon as reasonably possible but in no event more than five (5) business days after the date Landlord provides Tenant with its Refusal Notice. If Landlord reasonably disputes only a portion of the amount requested in the requisition, Landlord shall timely pay Tenant the undisputed amount. The parties agree to work together in good faith to resolve any dispute with diligence; provided, however, each party shall retain its right to elect to have such dispute resolved by binding arbitration pursuant to Section 2.2.5 below. If the dispute is resolved outside of arbitration, and Landlord and Tenant agree that Landlord must pay Tenant for all or a portion of the disputed portion previously withheld, such payment shall be made within ten (10) days of resolution of the dispute, including interest at the Interest Rate. Landlord’s payment of such amounts shall not be deemed Landlord’s approval or acceptance of the work furnished or materials supplied as set forth in Tenant’s payment request.

2.2.2 Final Retention. Subject to the provisions of this Tenant Work Letter, a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of the Improvements in the Premises, and within thirty (30) days after satisfaction of the following: (i) Tenant delivers to Landlord properly executed unconditional mechanics lien releases in compliance with any requirements of applicable laws, (ii) Landlord has determined that no substandard work exists which materially and adversely affects the mechanical, electrical,
plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Project, the curtain wall of the Project, the structure or exterior appearance of the Project, which determination by Landlord shall occur as soon as reasonably practical but not later than ninety (90) days after notice from Tenant that the Improvements are substantially completed (which shall include Architect’s certification as required in clause (iii) below), and (iii) Architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Premises has been substantially completed and a certificate of occupancy (or its equivalent) shall have been issued by the appropriate governmental authorities for the applicable Premises.

2.2.3 Pro Rata Disbursements. Notwithstanding anything to the contrary in Section 2.2 above, Landlord shall only be required to make progress and final retention payment disbursements of the Improvement Allowance to Tenant (or, at Tenant’s election, Contractor) equal to Landlord’s pro rata share (based on the proportion of the Improvement Allowance to the final Cost Proposal (as defined in Section 3.4 below) as applied to such particular progress payment, less the Final Retention (i.e., 5% of Landlord’s pro rata share) or such final retention payment, only after Tenant has paid to Contractor Tenant’s pro rata share (based on the remaining proportion of the final Cost Proposal) as applied to such particular progress payment, less the Final Retention or such final retention payment, and such payment by Tenant shall be a condition to Landlord’s obligation to disburse Landlord’s corresponding pro rata portion of the Improvement Allowance (as applied to such particular progress or final retention payment). In the event the actual costs for the Improvements differ from those set forth in the final Cost Proposal, then the amount to be paid by Landlord shall be reconciled no later than the last progress payment such that Tenant receives the full benefit of the Improvement Allowance. For purposes of clarity, there shall be no pro rata disbursement with respect to the Base Building Allowance.

2.2.4 Other Terms. The Improvements and Base Building Improvements shall be deemed Landlord’s property, with Landlord’s right to claim the depreciation of the same, to the extent the Improvement Allowance and the Base Building Allowance are utilized in connection with the Improvements and the Base Building Improvements, as the case may be, and the remaining portion of the Improvements and Base Building Improvements shall be deemed Tenant’s property until the date immediately after the expiration or earlier termination of this Lease, with Tenant’s right to claim the depreciation of same, to the extent Tenant pays the cost for completing the Improvements and Base Building Improvements in excess of the Improvement Allowance and the Base Building Allowance, as the case may be.

2.2.5 Failure to Fund Tenant Improvement Allowance. If Landlord fails to timely fund any monthly payment or the Final Retention of the Improvement Allowance or Base Building Allowance within the time periods set forth above in this Section 2.2, then Tenant shall be entitled to deliver written notice (“Payment Notice”) thereof to Landlord. If Landlord still fails to fulfill any such obligation within ten (10) business days after Landlord’s receipt of the Payment Notice from Tenant and if Landlord failed to provide Tenant with a Refusal Notice explaining Landlord’s reasons that the amounts described in Tenant’s Payment Notice are not due and payable by Landlord within the thirty (30) day payment period set forth above in Section 2.2 above, then Tenant shall be entitled to fund such amount(s) itself and to offset such amount(s), together with interest at the Interest Rate from the date such payment would have initially been required to be paid by Landlord hereunder (i.e., within the 30 day payment period set forth in Section 2.2) until the date of offset, against Tenant’s first obligations to pay Monthly Basic Rent. However, (i) in no event shall such offset exceed fifty percent (50%) of the Monthly Basic Rent next coming due under the Lease and (ii) Tenant shall not be entitled to any such offset if Tenant is in default under the Lease (after expiration or any applicable cure period) at the time that such offset would otherwise be applicable. If Landlord delivers a Refusal Notice, and if Landlord and Tenant are not able to agree on the amounts to be so paid by Landlord, if any, within ten (10) business days after Tenant’s receipt of a Refusal Notice, Landlord or Tenant may elect to have such dispute resolved by binding arbitration before a retired judge of the Superior Court of the State of Massachusetts under the auspices of JAMS/ENDISPUTE (or any successor to such organization) in Essex County, Massachusetts, according to the then rules of commercial arbitration of such organization. If Tenant prevails in any such arbitration, the parties shall mutually agree on one of the following methods of payment, (a) Landlord shall pay Tenant for the amount determined to be payable by Landlord in such proceeding together with the interest at the Interest Rate from the date such payment would have initially been require to be paid by Landlord hereunder to the date paid by Landlord or (b) Tenant may offset the amount determined to be payable by Landlord in such proceeding together with interest at the Interest Rate from the date such payment would have

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initially been required to be paid by Landlord hereunder to the date of offset against Tenant’s next obligations to pay Monthly Basic Rent hereunder (but (i) in no event shall such offset exceed fifty percent (50%) of the Monthly Basic Rent next coming due and (ii) Tenant shall not be entitled to any such offset if Tenant is in default under the Lease (after expiration of any applicable cure period) at the time that such offset would otherwise be applicable.

2.3 Standard Tenant Improvement Package. Landlord has established specifications (the “Specifications”) for the Project-standard components to be used in the construction of the Improvements in the Premises (collectively, the “Standard Improvement Package”), which Specifications are available upon request. The quality of Improvements and Base Building Improvements shall be equal to or of greater quality than the quality of the Specifications, provided that Landlord may, at Landlord’s option, require the Improvements to comply with certain Specifications.

SECTION 3
CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Tenant shall retain an architect/space planner reasonably approved by Landlord (the “Architect”) to prepare the “Construction Drawings,” as that term is defined in this Section 3.1. Tenant shall also retain engineering consultants approved by Landlord (the “Engineers”), such approval not to be unreasonably withheld, conditioned, or delayed, to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC and lifesafety work, as applicable, of the Improvements and which Construction Drawings shall also include the Base Building Improvements. Landlord hereby approves DPS Group as Tenant’s Architect and an Engineer. The plans, specifications and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the “Construction Drawings.” All Construction Drawings be subject to a drawing format and specifications reasonably acceptable to Landlord, and shall be subject to Landlord’s review and approval, which approval shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem (as defined in Section 3.3 below) (in which event Landlord may withhold its approval in its sole but good faith discretion). Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans that are readily observable, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord’s review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord’s review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord’s space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings.

3.2 Final Space Plan. Landlord and Tenant have approved the plan for the Improvements in the Premises (“Final Space Plan”) attached hereto as Schedule 1 and made a part hereof (subject to changes which Tenant shall submit the same to Landlord for Landlord’s review and approval, which approval shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem (in which event Landlord may withhold its approval in its sole but good faith discretion).

3.3 Final Working Drawings. Based upon the Final Space Plan, Tenant shall cause the Architect and the Engineers to complete the architectural and engineering drawings for the Improvements, and the final architectural working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the “Final Working Drawings”) and shall submit the same to Landlord for Landlord’s review and approval, which approval shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem (in which event Landlord may withhold its approval in its sole but good faith discretion). As used herein a “Design Problem” is defined and will be deemed to exist if Landlord’s architect or engineer for the Project determines that there is a material likelihood that any portion of the Improvements (or any subsequent alterations, additions or improvements to the Premises performed by or on behalf of Tenant as set forth in Article 10) will (a) have a material and adverse effect on the exterior appearance of the Building, (b) materially and adversely affect the structural portions or ongoing building systems or operations thereof, or (c) fail to comply in all material respects with all applicable laws, statutes, ordinances, governmental regulations and requirements.

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3.4 Cost Proposal. After all approvals of the Approved Working Drawings required by the terms of this Tenant Work Letter have been obtained, Tenant will provide Landlord with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the approximate cost of all Improvement Allowance Items as set forth in Section 2.2 above in connection with the design and construction of the Improvements, and which shall detail the application of the Improvement Allowance and show any overage in the estimated aggregate cost for the design and construction of the Improvements and other costs in excess of the Improvement Allowance (the “Cost Proposal”). If the Cost Proposal is changed prior to or during construction of the Improvements, Tenant shall provide Landlord a copy of the same.

3.5 Permits. The Final Working Drawings shall be approved by Landlord (the “Approved Working Drawings”) prior to the commencement of the construction of the Improvements. Tenant shall cause the Architect to promptly submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to allow “Contractor,” as that term is defined in Section 4.1, below, to commence and fully complete the construction of the Improvements (the “Permits”). No material changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem (in which event Landlord may withhold its consent in its sole but good faith discretion).

3.6 Review Process. As provided in Section 3.1 of this Tenant Work Letter, the Construction Drawings are subject to Landlord’s review and approval, which approval shall not be unreasonably withheld, conditioned or delayed except in connection with a Design Problem. Landlord shall either approve or provide the Tenant with any reasonable comments or input to the Construction Drawings with reasonable specificity in writing within ten (10) days with respect to Improvements for the Pod 4 Portion of the Premises (or within fourteen (14) business days with respect to Improvements for the Pod 5 Portion of the Premises) after the Tenant or Tenant’s Architect submits the Construction Drawings to Landlord. If Landlord does not respond within such ten (10) day or fourteen (14) business day period, as applicable, Tenant shall notify Landlord (the “Second Notice”) in writing that the Construction Drawings shall be deemed approved five (5) business days after the Second Notice, if Landlord does not disapprove the same within such five (5) business day period. Tenant shall be deemed to have approved the applicable Construction Drawings if Landlord does not disapprove of the same within such five (5) business day period. If Landlord provides any such comments within such ten (10) day or fourteen (14) business day period, as applicable, the parties shall work diligently to revise and agree upon the final approved Construction Drawings, subject to the process set forth below.

If Landlord reasonably requires that any Construction Drawings submission from Tenant be modified in order to obtain Landlord’s approval (which comments or reasons for disapproval must be made with reasonable specificity in writing), then Tenant shall resubmit revised Construction Drawings within ten (10) days with respect to Improvements for the Pod 4 Portion of the Premises (or within fourteen (14) business days with respect to Improvements for the Pod 5 Portion of the Premises) after the date Tenant receives any such notice of disapproval, to Landlord incorporating Landlord’s reasonably requested changes and responding to any other issues or questions raised by Landlord in its prior submission. On each occasion, Landlord will provide to Tenant and Tenant’s Architect copies of the marked up plans, drawings and documents to which it has an objection or requires a resubmission, which marked up plans shall indicate Landlord’s objection in reasonable detail. Landlord shall either approve or provide the Tenant with any reasonable comments or input to the revised Construction Drawings with reasonable specificity in writing within five (5) business days after the Tenant or Tenant’s Architect resubmits the same to Landlord. If Landlord does not respond within such five (5) business day period, Tenant shall notify Landlord (the “Second Resubmittal Notice”) in writing that the Construction Drawings shall be deemed approved three (3) business days after the Second Resubmittal Notice, if Landlord does not disapprove the same within such three (3) business day period. Tenant shall be deemed to have approved the applicable resubmitted Construction Drawings if Landlord does not disapprove of the same within such three (3) business day period. Such submission and approval process shall continue until approval is granted as submitted (or deemed granted due to Landlord’s failure to timely respond). If the parties are unable to agree on the Landlord’s approval of the applicable Construction Documents, either party may elect to tender such dispute to be resolved through the Dispute Resolution Process (as hereinafter defined).
3.7 Phasing. Landlord acknowledges that the Improvements may be performed in one or more phases not to exceed a total of three (3) phases. Accordingly, Tenant may submit Construction Drawings (including, without limitation, the Final Working Drawings) and apply for Permits relating to each phase at different times. The review, comment, and approval process described above shall apply to all of the phases.

SECTION 4
CONSTRUCTION OF THE IMPROVEMENTS

4.1 Contractor. A general contractor shall be retained by the Tenant to construct the Improvements. Such general contractor ("Contractor") shall be selected by the Tenant and approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed; provided, however, Landlord hereby preapproves of Wise Construction as Contractor. Prior to Tenant's execution of the construction contract and general conditions with Contractor which shall also include a form contract for Tenant's Contractor (the "Contract"), Tenant shall submit the form Contract to Landlord for its approval with regard to proper insurance and licensing requirements and any other provisions which may materially adversely affect Landlord or Landlord’s interest in the Project, and which approval shall not be unreasonably withheld or delayed by more than five (5) business days after Landlord’s receipt of the Contract. Prior to the commencement of the construction of the Improvements, Tenant shall provide Landlord with a reasonably detailed breakdown, by trade, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the Contract (the “Final Costs”). Notwithstanding Section 2.2 above, if the Final Costs exceed the Tenant Improvement Allowance, Tenant shall be responsible for the excess.

4.2 Tenant’s Agents. All subcontractors, materialmen, and suppliers used by the Tenant (such subcontractors, materialmen, and suppliers, and the Contractor to be known collectively as “Tenant’s Agents”) must be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed. If Landlord does not approve any of the Tenant’s proposed subcontractors, materialmen or suppliers, the Tenant shall submit other proposed subcontractors, materialmen or suppliers for Landlord’s written approval. Notwithstanding the foregoing, the Tenant shall be required to utilize subcontractors designated by Landlord for any mechanical, electrical, plumbing, life-safety, sprinkler, structural and air-balancing work. Tenant’s Contractor shall competitive bid all subcontractors, materialmen and suppliers and include at a minimum three (3) qualified subcontractors, materialmen and suppliers approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed.

4.3 Construction of Improvements by Contractor. The Tenant shall independently retain, in accordance with Section 4.1 above, Contractor to construct the Improvements in substantial accordance with the Approved Working Drawings and in accordance with the Construction Schedule. Tenant, the Contractor and all of Tenant’s Agents shall abide by Landlord’s construction rules and regulations attached hereto as Exhibit I. The Improvement Allowance shall be charged a logistical coordination fee (the “Landlord Coordination Fee”) to Landlord in an amount equal to .7% of the lesser of (i) the total estimated costs of the Improvements and Base Building Improvements as set forth in the Approved Cost Proposal plus .7% of the estimated costs of any approved change orders or (ii) the total actual cost of the Improvements and Base Building Improvements plus .7% of the actual costs of any approved change orders; provided, however, the Landlord Coordination Fee shall not apply to the cost of any equipment considered capital expenditures under standard real estate accounting principles which exceeds One Hundred Thousand Dollars ($100,000.00). Except for the Landlord Coordination Fee, neither Tenant nor the Improvement Allowance nor the Base Building Improvements shall be charged a fee for Landlord’s supervision, overhead or inspection. Except for the Landlord Coordination Fee and Landlord’s actual, out-of-pocket expenses incurred by Landlord as a direct result of Tenant’s performance of the Improvements, Tenant shall not be charged any fees or charges in connection with the Improvements, Base Building Improvements, or Tenant’s initial moving into the Premises (or any portion thereof). Without limiting the foregoing, throughout the period of construction of the Improvements and Base Building Improvements, and Tenant’s initial moving into the Premises
Tenant (i) may use, at no cost to Tenant, the freight elevator (subject to scheduling), (ii) shall be entitled to access to the loading dock (subject to scheduling) at no cost, (iii) shall not be charged any security guard fees, Building engineer charges or tap-in charges, and (iv) shall not be charged any costs or expenses in connection with Landlord’s review and approval of the Construction Drawings (other than as part of the Landlord Coordination Fee).

4.4 Indemnification & Insurance.

4.4.1 Indemnity. Tenant’s indemnity of Landlord as set forth in Article 13 of the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act, negligence, or willful misconduct of Tenant or Tenant’s Agents in connection with the performance of the Improvements. Landlord’s indemnity of Tenant as set forth in Article 13 of the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act, negligence, or willful misconduct of Landlord or Landlord’s subcontractors, materialmen, and suppliers used by the Landlord in connection with the performance of the Base Building Improvements.

4.4.2 Requirements of Tenant’s Agents. Each of Tenant’s Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Improvements for which it is responsible shall be free from any defects (except for those inherent in the quality of the Improvements and/or Base Building Improvements in the Construction Documents) in workmanship and materials for a period of not less than one (1) year from the date of substantial completion thereof. All such warranties or guarantees as to materials or workmanship of or with respect to the Improvements shall be contained in the contract with Tenant’s Contractor and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and, to the extent permitted by applicable law, can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary and commercially reasonable to effect such right of direct enforcement.

4.4.3 Insurance Requirements.

4.4.3.1 General Coverages. All of Tenant’s Agents shall carry worker’s compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in Article 14 of this Lease.

4.4.3.2 Special Coverages. Tenant or the Contractor shall carry “Builder’s All Risk” insurance in an amount approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed, covering the construction of the Improvements, and such other insurance as Landlord requires as set forth in the construction rules and regulations attached hereto as Exhibit I.

4.4.3.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.4.3 shall be delivered to Landlord before the commencement of construction of the Improvements and before the Contractor’s equipment is moved onto the site. In the event that the Improvements are damaged by any cause during the course of the construction thereof, Tenant shall promptly repair the same at Tenant’s sole cost and expense.

4.4.4 Governmental Compliance. The Improvements and Base Building Improvements shall comply in all respects with the following: (i) Laws, as they may apply according to the rulings of the controlling public official, agent or other person as of the date of installation; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code to the extent applicable to Innovation Park; (iii) with respect to the Improvements, material and equipment manufacturer’s specifications for the Project that are provided to Tenant prior to submission of the Final Working Drawings to Landlord and for materials and equipment to be installed as part of the Improvements, and (iv) with respect to the Base Building Improvement, in accordance with the Approved Base Building Construction Drawings, and with respect to the Improvements, in accordance with the Approved Working Drawings.

EXHIBIT “D”
4.4.5 Inspection by Landlord. During construction of the Improvements, Landlord shall have the right to inspect the Improvements at all times, provided however, that Landlord shall use commercially reasonable efforts to minimize interference to completion of the Improvements and Landlord’s failure to inspect the Improvements shall in no event constitute a waiver of any of Landlord’s rights hereunder nor shall Landlord’s inspection of the Improvements constitute Landlord’s approval of the same. Should Landlord disapprove any portion of the Improvements due to Tenant’s failure to comply with the terms of this Tenant Work Letter, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved and the reasons for such disapproval. Any defects or deviations in, and/or disapproval by Landlord of, the Improvements due to Tenant’s failure to comply with the terms of this Tenant Work Letter shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord reasonably determines following consultation with the architect and/or engineer for the Project on the matter that such disapproval or a defect or deviation exists and such reason for disapproval, defect, or deviation is likely to adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Project, the structure or exterior appearance of the Project or any other tenant’s use of such other tenant’s leased premises, and if Tenant does not correct such defect or deviation promptly after notice from Landlord and a meeting between Landlord and Tenant and/or their respective architects or engineers (which meeting may be held via audio and/or video conferencing call (e.g. Zoom) or a similar medium), Landlord may take such action as Landlord deems necessary in its reasonable discretion following consultation with the architect or engineer of the Project on the matter, at Tenant’s actual, reasonable expense and without incurring any liability on Landlord’s part, to correct any such defect, deviation and/or disapproving matter, including, without limitation, the cessation of performance of the construction of the Improvements until such time as the defect, deviation and/or matter is corrected to Landlord’s reasonable satisfaction; provided, however, Landlord shall communicate and reasonably cooperate with Tenant to determine the most efficient time for such work to occur and Landlord shall not cause the cessation of performance of the construction until the parties have so discussed the matter.

4.4.6 Meetings. Commencing upon the execution of this Lease, Tenant and Landlord shall hold meetings as required at a reasonable time with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings, Base Building Construction Drawings, and the construction of the Improvements and Base Building Improvements, which meetings shall be held at a location reasonably designated by Landlord, and Landlord and/or its agents designated by Landlord shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord’s request, Architect and/or Contractor shall attend such meetings, and further, upon Tenant’s request, Landlord’s architect and/or general contractor shall attend such meetings, to the extent either party’s architect and contractor are reasonably available to attend. All parties shall have the right to participate in the meeting via audio and/or video conferencing call (e.g. Zoom) or a similar medium.

4.4.7 Copy of “As Built” Plans. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the “as built” or “record-set” of as-built drawings, as appropriate, are true and correct, with the Architect being permitted to rely upon the information supplied by Contractor for its certification, and (C) to deliver to Landlord two (2) sets of copies of such as-built drawings within ninety (90) days following substantial completion of the Improvements, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises installed by or on behalf of Tenant.

SECTION 5

MISCELLANEOUS

5.1 Tenant’s Representative. The Tenant has designated Brett Belongia as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 Landlord’s Representative. Prior to commencement of construction of Improvements, Landlord shall designate a representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to the Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.
5.3 **Time of the Essence in This Tenant Work Letter.** Time is of the essence with respect to the performance by Tenant and Landlord of every provision of this Tenant Work Letter. Unless otherwise indicated, all references herein to a “number of days” shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord or Tenant, as applicable, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord or Tenant, as applicable, except as expressly provided otherwise above.

5.4 **Tenant’s Lease Default.** Notwithstanding any provision to the contrary contained in this Lease, if an Event of Default as described in the Lease or this Tenant Work Letter has occurred at any time, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Improvement Allowance until cure of the Event of Default and/or Landlord may cause Contractor to cease the construction of the Premises (and in each such event any resulting delay therefrom shall be deemed to be a Tenant delay) until cure of the Event of Default, and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such Event of Default is cured pursuant to the terms of this Lease.

5.5 **Construction Defects.** Subject to Articles 16 and 18 (Damage or Destruction and Eminent Domain), Landlord shall have no responsibility for the Improvements and Tenant will remedy, at Tenant’s own expense, and be responsible for any and all defects in the Improvements that may appear during or after the completion thereof whether the same shall affect the Improvements in particular or any parts of the Premises in general.

5.6 **Delays.**

5.6.1 Definitions

5.6.1.1 The term “Uncontrollable Delay” shall mean only an actual delay in the completion of the Improvements or Base Building Improvements resulting from lightning, earthquake, fire, storm, tornado, blizzard, flood, wash out, explosion, industry-wide strike, lockout or labor dispute, civil disturbance, riot, war, act of the public enemy, sabotage, epidemic, states of emergency, decrees, orders, ordinances, statutes, moratorium, laws, or other governmental action or proceeding, of or otherwise similar causes beyond the reasonable control of Tenant (but not to exceed a total of ninety (90) days).

5.6.1.2 The term “Landlord Delay” shall mean only an actual delay in the completion of the Improvements and/or Base Building Improvements which is caused by (a) the failure of Landlord to provide authorizations, comments, approvals, submissions, or resubmissions within the time period set forth in this Tenant Work Letter (or if no time is expressly stated, within ten (10) business days after receipt of the request for approval), (b) the failure by Landlord to pay the Improvement Allowance or Base Building Allowance when due under this Tenant Work Letter, (c) unless a more specific provision of this definition applies, any breach by Landlord of this Tenant Work Letter or the Lease beyond any applicable notice and cure period, (d) the performance of any work or activity in the Premises or Project by Landlord, or its agents, employees, contractors, subcontractors, materialmen, or suppliers, unless such work or activity is the Base Building Improvements and the same is being performed in accordance with the agreed upon Construction Schedule for the Base Building Improvements, (e) any other delay identified as a Landlord Delay in this Tenant Work Letter or the Lease.

5.6.1.3 The term “Tenant Delay” shall mean only an actual delay in the completion of the Base Building Improvements which is caused by (a) the failure of Tenant to provide authorizations, comments, approvals, submissions, or resubmissions within the time period set forth in this Tenant Work Letter (or if no time is expressly stated, within ten (10) business days after receipt of the request for approval); (b) any request by Tenant for any revision to, or for Landlord’s approval of any revision to, any portion of the Approved Base Building Plans (except to the extent that such delay results from a breach by Landlord of its obligations under **Section 1.6** above); (c) any failure by Tenant to timely pay any Tenant’s Base Building Work Excess Payment pursuant to its obligations hereunder; (d) unless a more specific provision of this definition applies, any breach by Tenant of this Tenant Work Letter or the Lease beyond any
applicable notice and cure period); (e) any requirement of Tenant for materials, components, finishes or improvements that are not available in a commercially reasonable time given the Estimated Base Building Work Completion Date, provided that (1) such item is not part of the Standard Improvement Package and (2) Landlord informs Tenant that such item will cause a Tenant Delay and Tenant elects not to change the material, component, finish or improvement to one which is available in a commercially reasonable time given the Estimate Base Building Work Completion Date; (f) any actual delay in completing the Base Building Improvements as a result of Tenant’s request to modify the Construction Schedule pursuant to Section 1.8 above, (g) any change to the Base, Shell or Core of the Premises or Building required by the Approved Base Building Construction Drawings; (h) any other delay identified as a Tenant Delay in this Tenant Work Letter or the Lease, or (i) the performance of any work or activity outside of the Premises by Tenant, or its agents, employees, contractors, subcontractors, materialmen, or suppliers, unless such work or activity is the Improvements and the same is being performed in accordance with the agreed upon Construction Schedule for the Improvements.

5.6.2 Calculations of Delay

5.6.2.1 Notwithstanding anything to the contrary contained herein, Uncontrollable Delay, Landlord Delay, and Tenant Delay shall not include any of the foregoing delays to the extent caused by the acts, omissions, or misconduct of the party (or its agents, employees, contractors, subcontractors, materialmen, or suppliers) claiming the benefit of the delay.

5.6.2.2 No Uncontrollable Delay shall be deemed to have occurred unless the party claiming the benefit of the Uncontrollable Delay has notified the other party that an event giving rise to an Uncontrollable Delay is about to occur or has occurred which will cause a delay in the completion of the Improvements and/or Base Building Improvements or the situation giving rise to a potential Uncontrollable Delay has not otherwise ceased to exist within one (1) business day after the receipt of such notice by Landlord or Tenant, as the case may be, in which case the number of days of delay after such notice shall be an Uncontrollable Delay; provided, however, if the cause for the Uncontrollable Delay is of the nature that the responsible party could not reasonably remedy the situation (e.g., construction shutdown due to COVID-19 or a blizzard), then, if such other party does not already have notice of the Uncontrollable Delay, the party charged to perform shall provide the other with notice of the Uncontrollable Delay promptly following the same and the Uncontrollable Delay shall be deemed to have commenced on the first actual date the Improvements or Base Building Improvements are delayed due to an Uncontrollable Delay.

5.6.2.3 Notwithstanding the foregoing, no Tenant Delay or Landlord Delay pursuant to this Section 5.6 (except as to items for which the time period for Tenant’s or Landlord’s authorizations, comments, approvals, submissions, or resubmissions is expressly set forth herein or any actual delay under subsection 5.6.1.3(f) above) shall be deemed to have occurred unless and until the party claiming the benefit of the delay has provided written notice to other party specifying the action or inaction that the claiming contends constitutes a Tenant Delay or Landlord Delay, as applicable. If such action or inaction is not cured within one (1) business day after receipt of such notice, then a Tenant Delay or Landlord Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date such notice is received and continuing for the number of days that substantial completion of the Base Building Improvements or Improvements was in fact delayed as a result of such action or inaction.

5.6.3 Remedies

5.6.3.1 Notwithstanding any contrary provision of this Tenant Work Letter, the Estimated Base Building Work Delivery Date shall be extended on a day-for-day basis for each day of Tenant Delay or Uncontrollable Delay.

5.6.3.2 The fixed dates specified in Section A of the Summary relating to the respective Commencement Dates shall be extended one (1) day for each day that Tenant is actually delayed in completing the Improvements and/or Base Building Improvements in any portion of or serving the Premises as a result of an “Uncontrollable Delay” or a “Landlord Delay”.

5.7 Punchlist. Upon substantial completion of the Base Building Improvements, a representative of Landlord and a representative of Tenant shall perform a walk-through inspection of the Base Building Improvements in the Premises to identify any “punchlist” items (i.e., minor defects or conditions in such Base Building Improvements that do not impair Tenant’s ability to utilize the Premises for the purposes permitted hereunder), which items Landlord shall repair or

EXHIBIT “D”

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correct no later than thirty (30) days after the date of such walk-through (unless the nature of such repair or correction is such that more than thirty (30) days are required for completion, in which case Landlord shall commence such repair or correction work within such thirty (30) day period and diligently prosecute the same to completion.

5.8 Coordination of Labor. All of Tenant’s contractors, subcontractors, employees, servants and agents must work in harmony with and shall use commercially reasonable efforts not to interfere with any labor employed by Landlord, or Landlord’s contractors or by any other tenant or its contractors with respect to any portion of the Project; provided, however, Landlord agrees that Tenant shall have access to the Premises to perform the Improvements and to the areas where work for the Base Building Improvements are being performed in accordance with the Construction Schedule, subject to the terms and conditions of Section 9(j) of the Lease.

EXHIBIT “D”

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Schedule 1

Final Plans
[to be inserted]

EXHIBIT “D”

-16-
LETTER OF CREDIT

IQHQ-4 Corporate, LLC
c/o IQHQ, L.P.
674 Via De La Valle, Suite 206
Solana Beach, CA 92075
Attn: __________________

RE: Irrevocable Letter of Credit No. _____________ for U.S. $____________

Ladies and Gentlemen:

We hereby issue our irrevocable Letter of Credit No. _____________ in favor of IQHQ-4 Corporate, LLC, a Delaware limited liability company ("Beneficiary"), for the account of _________________________, a __________________.

We undertake to honor from time to time your draft or drafts at sight on us not exceeding in the aggregate _________________ U.S. Dollars (U.S. $____________). All drafts hereunder must be marked “Drawn under Irrevocable Letter of Credit No. _____________, dated ______________, 20____.”

Presentation of drafts drawn hereunder may be made at any time on or before the expiration date hereof at our offices located at __________________________________________________. Presentation on or before noon of any day other than a Saturday, Sunday or other day on which all commercial banks in (city), (state) are authorized or required to be closed ("Banking Day") shall result in payment to Beneficiary on the same date. Drafts presented after noon on any Banking Day shall result in payment to Beneficiary on the next Banking Day. We hereby waive any right that we may otherwise have to delay payment to a later date. If the expiration date is not a Banking Day, drafts presented on the first following Banking Day shall be deemed timely. Any notice of dishonor must be given within the applicable time period set forth above for payment.

Partial drawings are permitted, and this Letter of Credit shall, except to the extent reduced thereby, survive any partial drawings.

This Letter of Credit is valid through and including _____________________, 20____.

It is a condition of this Letter of Credit that it shall be automatically renewed for successive terms of one (1) year from the above-stated or any future expiration date, which shall become effective without amendment unless Beneficiary receives, not less than sixty (60) days before the above-stated or any future expiration date, written notice from us (in the manner below provided) that we have elected not to renew this Letter of Credit for any such additional term. If Beneficiary receives such notice of non-renewal from us, then Beneficiary may at any time prior to the then current expiration date hereof present its draft for payment hereunder.

Any notice to Beneficiary in connection with this Letter of Credit shall be in writing and shall be delivered in hand with receipt acknowledged, or by certified mail (return receipt requested), to IQHQ-4 Corporate, LLC, c/o IQHQ, L.P., 674 Via De La Valle, Suite 206, Solana Beach, CA 92075, Attn: __________________ (or to such other address for any such notices which Beneficiary may hereafter specify) in a written notice delivered to the undersigned.

We agree that we shall have no duty or right to inquire as to the basis upon which Beneficiary has determined to present to us any draft under this Letter of Credit. We hereby waive any defense based upon any allegation of fraud.
We shall not be required or entitled to inquire as to the authority of the person signing any draft or other instrument contemplated hereunder on behalf of Beneficiary, and we shall accept such signature as conclusive evidence of authority.

This Letter of Credit is transferable in its entirety and not in part to any transferee. Upon any such transfer, all references herein to the beneficiary shall be automatically changed to such transferee, and draft(s) may be issued by such transferee rather than the beneficiary.

This irrevocable Letter of Credit is subject to the International Standby Practices 1998 ("ISP98"), International Chamber of Commerce Publication 590 and, to the extent not inconsistent therewith, the Uniform Commercial Code of the State of _______________.

All of the terms and conditions of this Letter of Credit are contained herein and shall not be altered except by reduction in the amount due to corresponding payments in like amount in compliance with the aforementioned terms. Except as otherwise expressly set forth herein, there are no conditions to this Letter of Credit.

Very truly yours,

By:__________________________

Title:__________________________

EXHIBIT “E”

-2-
EXHIBIT “F”

ENVIRONMENTAL QUESTIONNAIRE
FOR COMMERCIAL AND INDUSTRIAL PROPERTIES

Tenant Name: ____________________________________________

Lease Address: __________________________________________

Lease Type (check correct box – right click to properties): ☐ Primary Lease/Lessee
☐ Sublease from: ____________________

Instructions: The following questionnaire is to be completed by the Lessee representative with knowledge of the planned operations for the specified building/location. Please print clearly and attach additional sheets as necessary.

1.0 PROCESS INFORMATION

Describe planned site use, including a brief description of manufacturing processes and/or pilot plants planned for this site, if any.

2.0 HAZARDOUS MATERIALS – OTHER THAN WASTE

Will (or are) non-waste hazardous materials be/being used or stored at this site? If so, continue with the next question. If not, go to Section 3.0.

2.1 Are any of the following materials handled on the Property? ☐ Yes ☐ No

[A material is handled if it is used, generated, processed, produced, packaged, treated, stored, emitted, discharged, or disposed.] If YES, check (right click to properties) the applicable correct Fire Code hazard categories below.

☐ Combustible dusts/fibers ☐ Explosives ☐ Flammable liquids
☐ Combustible liquids (e.g., oils) ☐ Compressed gas - inert ☐ Flammable solids/pyrophorics
☐ Cryogenic liquids - inert ☐ Compressed gas - flammable/pyrophoric ☐ Organic peroxides
☐ Cryogenic liquids - flammable ☐ Compressed gas - oxidizing ☐ Oxidizers - solid or liquid
☐ Cryogenic liquids - oxidizing ☐ Compressed gas - toxic ☐ Reactives - unstable or water reactive
☐ Corrosives - solid or liquid ☐ Compressed gas - corrosive ☐ Toxics - solid or liquid

2-2. For all materials checked in Section 2.1 above, please list the specific material(s), use(s), and quantities of each used or stored on the site in the table below; or attach a separate inventory. NOTE: If proprietary, the constituents need not be named but the hazard information and volumes are required.

<table>
<thead>
<tr>
<th>Material/Chemical</th>
<th>Physical State (Solid, Liquid, or Gas)</th>
<th>Container Size</th>
<th>Number of Containers Used &amp; Stored</th>
<th>Total Quantity</th>
</tr>
</thead>
</table>

EXHIBIT “F”
-1-
2-3. Describe the planned storage area location(s) for the materials in Section 2-2 above. Include site maps and drawings as appropriate.

2-4. Other hazardous materials. Check below (right click to properties) if applicable. NOTE: If either of the latter two are checked (BSL-3 and/or radioisotope/radiation), be advised that not all lease locations/cities or lease agreements allow these hazards; and if either of these hazards are planned, additional information will be required with copies of oversight agency authorizations/licenses as they become available.

☐ Risk Group 2/Biosafety Level-2 Biohazards ☐ Risk Group 3/Biosafety Level-3 Biohazards ☐ Radioisotopes/Radiation

3.0 **HAZARDOUS WASTE (i.e., REGULATED CHEMICAL WASTE)**

Are (or will) hazardous wastes (be) generated? ☐ Yes ☐ No

If YES, continue with the next question. If not, skip this section and go to section 4.0.

3.1 Are or will any of the following hazardous (CHEMICAL) wastes generated, handled, or disposed of (where applicable and allowed) on the property?

☐ Liquids ☐ Process sludges ☐ PCBs
☐ Solids ☐ Metals ☐ wastewater

3-2. List and estimate the quantities of hazardous waste identified in Question 3-1 above.

EXHIBIT “F”

-2-
3-3. Waste characterization by: Process knowledge □ EPA lab analysis □ Both □

3-4. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility if applicable. Attach separate pages as necessary. If not yet known, write “TBD.”

3-5. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? NOTE: This does NOT mean fume hoods; examples include air scrubbers, cyclones, carbon or HEPA filters at building exhaust fans, sedimentation tanks, pH neutralization systems for wastewater, etc.

☐ Yes ☐ No

If YES, please list/describe: _________________________________________________________

4.0 OTHER REGULATED WASTE (i.e., REGULATED BIOLOGICAL WASTE, may be referred to as “Medical Waste”)

4-1. Will (or do) you generate medical waste? ☐ Yes ☐ No If NO, skip to Section 5.0.

4-2. Check the types of waste that will be generated, all of which fall under the applicable Medical Waste governing law:

☐ Contaminated sharps (i.e., if contaminated with Risk Group 2 materials)

☐ Animal carcasses

☐ Pathology waste known or suspected to be contaminated with Risk Group 2 pathogens

☐ Red bag biohazardous waste (i.e., with Risk Group 2 materials) for autoclaving

☐ Human or non-human primate blood, tissues, etc. (e.g., clinical specimens)

☐ Trace Chemotherapeutic Waste and/or Pharmaceutical waste NOT otherwise regulated as RCRA chemical waste

4-3. What vendor will be used for off-site autoclaving and/or incineration?

4-5. Do you have a Medical Waste Permit for this site? ☐ Yes ☐ No, not required.

☐ No, but an application will be submitted.

5.0 UNDERGROUND STORAGE TANKS (USTS) & ABOVEGROUND STORAGE TANKS (ASTS)

5-1. Are underground storage tanks (USTs), aboveground storage tanks (ASTs), or associated pipelines used for the storage of petroleum products, chemicals, or liquid wastes present on site (lease renewals) or required for planned operations (new tenants)? ☐ Yes ☐ No

NOTE: If you will have your own diesel emergency power generator, then you will have at least one AST! [NOTE: If a backup generator services multiple tenants, then the landlord usually handles the permits.]

If NO, skip to section 6.0. If YES, please describe capacity, contents, age, type of the USTs or ASTs, as well any associated leak detection/spill prevention measures. Please attach additional pages if necessary.
5-2. Please provide copies of written tank integrity test results and/or monitoring documentation, if available.

5-3. Is the UST/AST registered and permitted with the appropriate regulatory agencies? ☐ Yes ☐ No, not yet

If YES, please attach a copy of the required permit(s). See Section 7-1 for the oversight agencies that issue permits, with the exception of those for diesel emergency power generators which are permitted by the local Air Quality District; or Air Pollution Control Districts.

5-4. If this Questionnaire is being completed for a lease renewal, and if any of the USTs/ASTs have leaked, please state the substance released, the media(s) impacted (e.g., soil, water, asphalt, etc.), the actions taken, and all remedial responses to the incident.

5-5. If this Questionnaire is being completed for a lease renewal, have USTs/ASTs been removed from the Property?

☐ Yes ☐ No

If YES, please provide any official closure letters or reports and supporting documentation (e.g., analytical test results, remediation report results, etc.).

5-6. For Lease renewals, are there any above or below ground pipelines on site used to transfer chemicals or wastes?

☐ Yes ☐ No

For new tenants, are installations of this type required for the planned operations? ☐ Yes ☐ No If YES to either question in this section 5-6, please describe.

6.0 ASBESTOS CONTAINING BUILDING MATERIALS

Please be advised that an asbestos survey may have been performed at the Property. If provided, please review the information that identifies the locations of known asbestos containing material or presumed asbestos containing material. All personnel and appropriate subcontractors should be notified of the presence of these materials, and informed not to disturb these materials. Any activity that involves the disturbance or removal of these materials must be done by an appropriately trained individual/contractor.

7.0 OTHER REGULATORY PERMITS/REQUIREMENTS

7-1. Does the operation have or require an industrial wastewater permit to discharge into the local National Pollutant Discharge Elimination System (NPDES)? [Example: This applies when wastewater from equipment cleaning is routed through a pH neutralization system prior to discharge into the sanitary or lab sewer for certain pharmaceutical manufacturing wastewater; etc.] Permits are obtained from the regional sanitation district that is treating wastewater.

☐ Yes ☐ No, but one will be prepared and submitted to the Landlord property management company.

If so, please attach a copy of this permit or provide it later when it has been prepared.

7-2. Has a Hazardous Materials Business Plan (HMBP) been developed for the site and submitted via the State’s agency with jurisdiction over the Project? [NOTE: The trigger limits for having to do this are ³ 200 cubic feet if any one type of compressed gas(except for carbon dioxide and inert

EXHIBIT “F”

-4-
simple asphyxiants, which have a higher trigger limit of ³ 1,000 cubic feet; ³ 55 gallons if any one type of hazardous chemical liquid; and ³ 500 pounds of any one type of hazardous chemical solid. So a full-size gas cylinder and a 260-liter of liquid nitrogen are triggers! Don’t forget the diesel fuel in a backup emergency generator if the diesel tank size is ³ 55 gallons and it is permitted under the tenant (rather than under the landlord).

☐ Yes ☐ No, not required. ☐ No, but one will be prepared and submitted, and a copy will be provided to the landlord property management company.

If one has been completed, please attach a copy. Continue to provide updated versions as they are completed. This is a legal requirement in that State law requires that the owner/operator of a business located on leased or rented real property shall notify, in writing, the owner of the property that the business is subject to and is in compliance with the Hazardous Materials Business Plan requirements (Health and Safety Code Chapter 6.95 Section 25505.1).

7-3. NOTE: Please be advised that if you are involved in any tenant improvements that require a construction permit, you will be asked to provide the local city with a Hazardous Materials Inventory Statement (HMIS) to ensure that your hazardous chemicals fall within the applicable Fire Code fire control area limits for the applicable construction occupancy of the particular building. The HMIS will include much of the information listed in Section 2-2. Neither the landlord nor the landlord’s property management company expressly warrants that the inventory provided in Section 2-2 will necessarily meet the applicable State Fire Code fire control area limits for building occupancy, especially in shared tenant occupancy situations. It is the responsibility of the tenant to ensure that a facility and site can legally handle the intended operations and hazardous materials desired/needed for its operations, but the landlord is happy to assist in this determination when possible.

CERTIFICATION
I am familiar with the real property described in this questionnaire. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that Lessor will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature:________________________________________
Name:____________________________________________
Title:_____________________________________________
Date:____________________________________________
Telephone:________________________________________

EXHIBIT “F”
-5-
### Lab Equipment Summary

**4 Corporate Drive, Andover, MA**

#### 4" RSC

<table>
<thead>
<tr>
<th></th>
<th>POD4</th>
<th>POD5</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td><strong>4&quot; RSC</strong></td>
<td>3</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
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<tr>
<td>Leica Machine</td>
<td>1 POD4</td>
<td></td>
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<tr>
<td>UPS</td>
<td>2 POD4</td>
<td></td>
<td></td>
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<tr>
<td>Waste Tanks</td>
<td>2 POD4</td>
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<td></td>
</tr>
<tr>
<td>Snorkels, Hoses etc</td>
<td>Multiple POD4 See Photos</td>
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<td></td>
</tr>
<tr>
<td><strong>Corning Epic Machine</strong></td>
<td>1 POD5</td>
<td></td>
<td></td>
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<tr>
<td><strong>Freezer</strong></td>
<td>1 POD5</td>
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<tr>
<td><strong>Brooks Sample Sorter</strong></td>
<td>1 POD5 See Photos</td>
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<tr>
<td><strong>Chem Glass Distillation System</strong></td>
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#### 6" RSC

<table>
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<tr>
<td><strong>6&quot; RSC</strong></td>
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#### Benchtop Hoods

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<th>Total</th>
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<tbody>
<tr>
<td><strong>Benchtop Hoods</strong></td>
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<td>3</td>
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#### Bench Spill Contain Hoods

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<tbody>
<tr>
<td><strong>Bench Spill Contain Hoods</strong></td>
<td>32</td>
<td>0</td>
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#### Double Fume Hoods

<table>
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<td><strong>Double Fume Hoods</strong></td>
<td>33</td>
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#### Fume Hood

<table>
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<tr>
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<tr>
<td><strong>Fume Hood</strong></td>
<td>8</td>
<td>5</td>
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#### Cold Rooms

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<tr>
<td><strong>Cold Rooms</strong></td>
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#### Ice Machines

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<td><strong>Ice Machines</strong></td>
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#### Toxigard Monitors

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EXHIBIT “G”
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<th>Model</th>
<th>Notes</th>
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<tbody>
<tr>
<td>C1039</td>
<td>1 Laminar Flow Hutch</td>
<td>X overwhelms 3078</td>
<td></td>
</tr>
<tr>
<td>C1035</td>
<td>2 Waste Tanks</td>
<td>NMR/15</td>
<td></td>
</tr>
<tr>
<td>C105</td>
<td>1 Microplate Reader</td>
<td>Thermo</td>
<td></td>
</tr>
<tr>
<td>C105</td>
<td>2 BSC</td>
<td>BSC-6 foot</td>
<td>Stream/Grave III Advance/Thermo</td>
</tr>
<tr>
<td>C105</td>
<td>1 BSC</td>
<td>BSC-6 foot</td>
<td>Stream/Grave III Advance/Thermo</td>
</tr>
<tr>
<td>C1039</td>
<td>1 Hood</td>
<td>Double Fume Hood with Acid Base</td>
<td>Fisher Hamilton</td>
</tr>
<tr>
<td>C105</td>
<td>1 Hood</td>
<td>Benchtop Hood</td>
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</tr>
<tr>
<td>C1034</td>
<td>1 Ice Machine</td>
<td>Ice Machine</td>
<td>Refrigeration</td>
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<tr>
<td>C1034</td>
<td>3 Mix</td>
<td>Screwlab/4200</td>
<td>See Pictures</td>
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<tr>
<td>Model</td>
<td>Description</td>
<td>Notes</td>
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</tr>
<tr>
<td>1</td>
<td>Hood</td>
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<td>on either wall</td>
</tr>
<tr>
<td>1</td>
<td>Benchtop Hood</td>
<td>Flow Sciences Model 4110</td>
<td>on either wall</td>
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<tr>
<td>1</td>
<td>Benchtop &amp; machines</td>
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<td>on either wall</td>
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<td>Hood</td>
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<td>Fischer Hamilton</td>
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<td>Hood</td>
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<td>-----------------------------</td>
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<td>2</td>
<td>UPS</td>
<td>UPS</td>
</tr>
<tr>
<td>C105</td>
<td>1</td>
<td>Monitor</td>
<td>Toshignd monitor</td>
</tr>
<tr>
<td>Item</td>
<td>Model</td>
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EXHIBIT “G”

-6-
<table>
<thead>
<tr>
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<th>Image 4</th>
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<tr>
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<td>Code Room</td>
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</tbody>
</table>

EXHIBIT “G”

-8-
SUMMARY

Hereva Consultants did an Intermediate Furniture Survey of the Pods 4 & 5 at 4 Corporate Park Drive in Andover Massachusetts Innovation Center Building. The desks, components and workstations configurations were counted. Panel widths etc. were not part of the counting — only general dimensions. This furniture is of high quality and finish and could be re-used and re-configured if deemed to meet the product in Pod 3 were available it would provide resources to facilitate the reuse of the systems and other furniture.

Photos are included of items counted in this survey:

Here are the findings of that Furniture Survey:

- The workstations and office furniture are Knoll systems, primarily maple and grey color finish and it is generally in excellent to good condition. There are a small number of task chairs and guest chairs remaining in the space. There are approximately 1-4 configurations of office desks and 1 main configuration of workstations.

- Offices - Office furniture consists of the following components:
  - Desk an adjacent return, an attached side table in a U shape or half circle configuration.
  - 3 panel file cabinets (one short and two long)
  - 1 shelf (approximately 36” wide)
  - Key board tray
  - HID drawer
  - Bookcase (short wall mounted over desk board)
  - Bookcase (full freestanding - secured not every desk)
  - Task board
  - A desk below glass write on board
  - Monitor arm

- A few exceptions — in Pod 4 there are two office without side tables. Some desks have the monitor arm but not the mounting mechanism attached.

- Workstations — the workstations typically consist of:
  - A desk (with shallow desk — except those larger ones with 3 overhead bins)
  - A chair (lateral file)
  - Bookcase (lateral file)
  - Pedestal file
  - Task board
  - Panel tray
  - Task lighting
  - A monitor arm mount (some have the arms but no mount)

- Labs — the labs have several counter height stools (all bolt-on brand) and some freestanding adjustable tables, also various hooks and Metro shelving. The tables and stools are in the lab survey.

- Differences:
  - Pod 3 has several more adjustable tables in the open area and in lounge chairs and a small coffee table.

- NOTE: Pod 3 has the same Knoll furniture system in place but was not counted or included in the furniture survey.
INNOVATION PARK

CONSTRUCTION MANUAL

4 Corporate Drive,
Andover, MA 01810
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---

**EXHIBIT "I"**

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LANDLORD REQUIREMENTS

Prior to the commencement of any work within Innovation Park, Tenant/Contractor must submit the following items to:

Joanna Hagerty, CPM
Senior Real Estate Manager
CBRE, Inc.
One Tech Drive, Suite 236
Andover, MA 01810
Phone: 978-261-7214
Email: Joanna.Hagerty@cbre.com

1. Cover letter of intended construction, alteration, and installation including the proposed construction schedule from Tenant/Contractor.
2. List of all Contractors and Sub Contractors (for Landlord approval), and the specific persons who will be working on site.
3. Two (2) complete sets of plans with specifications, for approval.
4. Certificate of Liability Insurance from general contractor and all subcontractors. (Please be sure that these meet the requirements outlined below).
5. Copies of all building, electrical, fire alarm, smoke detector bagging, etc., permits (City of Boston Building Permits must be posted on the job site)
6. Prior to work commencement all Sub Contractors / Contractor personnel must sign in with security at main entrance.

EXHIBIT “I”
INSURANCE REQUIREMENTS

All policies must be taken out with insurers acceptable to CBRE and its institutional partners. The contractor shall provide and deliver certificates of insurance to CBRE at least 10 days prior to any work commencing. All policies shall state that at least thirty (30) days prior written notice will be delivered to CBRE by the insurer prior to termination, cancellation, or material change of such insurance.

Each certificate must show the “Certificate Holder” exactly as follows:

IHOI- Corporate, LLC
c/o CBRE, Inc.
One Tech Drive, Suite 236
Andover, MA 01810

Additional Insured:

IHOI-4 Corporate, LLC
IHOI, LP
CBRE, Inc.

Each certificate is to bear an original signature of an authorized representative of the insuring firm. If a computer printed or other non-standard form is used, it must bear the title “Certificate of Insurance” and provide all the required data, including the original signature.
The Contractors and Subcontractors, at their sole cost and expense, shall obtain, maintain, and keep in full force and effect the following types of insurance:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Minimum Limits of Liability ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Workman's Compensation</td>
<td>Statutory</td>
</tr>
<tr>
<td>B. Employer's Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td>(This insurance shall contain a waiver of subrogation right against CBRE Inc. from any liability resulting from possible accidents injuring contractor's employees.)</td>
</tr>
<tr>
<td>C. Commercial General Liability</td>
<td>$2,000,000 per occurrence</td>
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<tr>
<td></td>
<td>$2,000,000 general aggregate</td>
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<tr>
<td>D. Business Automobile Liability</td>
<td>$2,000,000 per accident</td>
</tr>
<tr>
<td>E. Commercial Crime Coverage</td>
<td>$500,000 per loss</td>
</tr>
</tbody>
</table>
BUILDING ACCESS & PROCEDURES

Parking

- NO parking is allowed in the loading dock.

Any vehicle illegally parked is subject to ticketing or towing at the vehicle owner's expense.

Building Access

- All construction workers (contractor and subcontractors) must enter the building ON FOOT through the main entrance and check in with security showing a valid ID.
Contractor Check In

1. All workers must sign in with security at the main entrance at the start of each day.

Contractor Check Out

1. Before leaving the site, please return any building identification cards to security and sign out.
2. No Contractor ID Cards may leave the premises.
3. Failure to return ID card before leaving the premises will result in having to surrender a driver’s license or similar photo identification card at the start of each day in exchange for Building ID Card. Photo ID will be returned at the end of the day when Building ID is returned.

Contractors must adhere to all building rules & regulations and cooperate fully with Security, Management and Maintenance personnel. Failure to follow these rules will result in the Contractor, Sub-Contractors and the specific personnel being denied access to the building.
BUILDING INFORMATION

Innovation Park

Except on building holidays, Innovation Park is open during the following hours:

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<thead>
<tr>
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<th>Monday – Friday</th>
<th>Saturday</th>
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<tr>
<td>Construction Hours</td>
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<tr>
<td>Material Loading /</td>
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<tr>
<td>Delivery Hours</td>
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<td>Business Hours</td>
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<td>Cleaning Hours</td>
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<td></td>
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<tr>
<td>Normal Operations</td>
<td></td>
<td></td>
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</table>

All hours are subject to change at Building Management’s discretion.
Weekend work will be reviewed on a case-by-case basis.

Since the lobby is open to the public at all times, it is imperative that the following rules be followed:

Unless prior written permission is obtained from the Landlord, disruptive work (demolition, etc.) must be done **After Business Hours.**

NO EXCEPTIONS!
Management Office

The Management Office is located at 1 Tech Drive, Suite 236, Andover, MA, 01810. CBRE has currently been contracted to perform maintenance and engineering functions. Allied Universal is the current site security provider. The following persons should be contacted if necessary:

<table>
<thead>
<tr>
<th>CBRE - Management</th>
<th>Joanna Hagerty, CPM</th>
<th>(978) 261-7214 Direct</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Joanna Hagerty, CPM</td>
<td>(978) 683-5224 Office</td>
</tr>
<tr>
<td></td>
<td>Senior Real Estate Manager</td>
<td><a href="mailto:Joanna.Hagerty@cbre.com">Joanna.Hagerty@cbre.com</a></td>
</tr>
<tr>
<td></td>
<td>Barbara Norcia, Assistant Real Estate Manager</td>
<td>(508) 980-0052 Direct</td>
</tr>
<tr>
<td></td>
<td>Barbara Norcia, Assistant Real Estate Manager</td>
<td>(978) 683-5224 Office</td>
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<tr>
<td></td>
<td><a href="mailto:Barbara.Norcia@cbre.com">Barbara.Norcia@cbre.com</a></td>
<td></td>
</tr>
<tr>
<td>Innovation Park Engineering</td>
<td>Bob Bartlett, Lead Engineer</td>
<td>(978) 625-9516 Direct</td>
</tr>
<tr>
<td></td>
<td>Bob Bartlett, Lead Engineer</td>
<td>(603) 845-7858 Cell</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:Robert.Bartlett@cbre.com">Robert.Bartlett@cbre.com</a></td>
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<tr>
<td></td>
<td>Kurt Cabezas, Building Engineer</td>
<td>(978) 625-9514 Direct</td>
</tr>
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<td></td>
<td>Kurt Cabezas, Building Engineer</td>
<td>Email: TBD</td>
</tr>
<tr>
<td>Innovation Park Security</td>
<td>Security Desk - Richard Cruz, Supervisor</td>
<td>(978) 625-9515 Direct</td>
</tr>
<tr>
<td></td>
<td>Security Desk - Richard Cruz, Supervisor</td>
<td>(978) 602-0636 Cell</td>
</tr>
</tbody>
</table>

Questions and Further Information

Should you have questions about the building, its systems, or the rules and regulations presented in this Construction Manual, please feel free to contact Joanna Hagerty at either (978) 261-7214, or email at Joanna.Hagerty@cbre.com.
ELEVATORS

Elevators:
The Management office will coordinate use of any freight elevator/lift for material loading and deliveries. Use of the freight lift other than in times specified below, should be pre-arranged with the Management Office. Please call the management office at 978-683-5224.

Pod 1 Interior Dimensions: TBD
Pod 1 Maximum Height: TBD
Pod 1 Door Opening: TBD

Pod 5 Interior Dimensions: TBD
Pod 5 Maximum Height: TBD
Pod 5 Door Opening: TBD

Maximum Capacity: 2,000 lbs.

Elevator Schedule*:

<table>
<thead>
<tr>
<th>Tenant Use</th>
<th>Monday – Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction / Contractor**</td>
<td>6:00 AM – 6:00 PM</td>
<td>8:00 AM – 1:00 PM</td>
</tr>
<tr>
<td>Material Loading / Delivery</td>
<td>Monday – Friday</td>
<td>6:00 AM – 3:30 PM</td>
</tr>
<tr>
<td></td>
<td>10:00 PM – 6:00 AM</td>
<td></td>
</tr>
</tbody>
</table>

* All hours are subject to change at Building Management’s discretion
** Contractors must relinquish use of the freight to building tenants during these hours

Building Management must approve any extra-long or oversized materials that must be handled or transported in the elevator. Management will coordinate with the elevator company to help with these procedures. There will be a charge to the Tenant and/or Contractor for this special service.

No material or equipment is to be carried underneath the elevators at any time.

ACCESS TO OTHER BUILDING AREAS

Please contact Bob Bartlett at (978) 625-9516 if you require access to other floors, mechanical rooms, or other building areas.

EXHIBIT “I”

-10-
DELIVERIES

Loading Dock

In order to ensure efficient management of deliveries for Innovation Park, the following rules and regulations MUST BE FOLLOWED:

1. For security purposes, All Deliveries must be scheduled with the Management Office. Please see below for procedure.

2. ALL deliveries to Innovation Park must enter/exit the building through the loading dock.

3. NO deliveries will be allowed to enter or exit the lobby area.
Scheduling Deliveries

Unless prior written approval from the Landlord is obtained, NO deliveries will be accepted between 8:00 am – 6:00 pm Monday through Friday.

To Schedule a Delivery:
All deliveries must be scheduled with and approved by the Management Company. Please do not assume that a delivery is scheduled until you have confirmation from the Management Company. You may schedule a delivery in any of the following ways:

1. Call (508) 980-0052 and speak directly to Barbara Norcia or leave a voice message.
2. Email Barbara.Norcia@cbre.com
3. Visit the CBRE Management Office

Materials or debris should NEVER be left unattended in the loading dock.

Delivery Procedures

Protect all finished floor, walls, and doors with appropriate materials, and maintain this protection as needed throughout the entire construction period. Protect doors and walls on material handling routes. Remove all protection when work is completed.
**Contractor Supervision**

1. General contractor must have a superintendent or foreman on the premises at all times when work is in progress. **NO EXCEPTIONS.**
2. The project and building areas having anything to do with the project shall be policed at all times. Such areas shall be continually kept clean and orderly. If necessary, please vacuum the public lobby / lobbies on the floors where work is taking place.
3. The Contractor is responsible for the cleanliness of all areas in which work is in progress, including the elevators and any affected lobbies. The building will charge the Tenant for any cleaning made necessary as a result of construction activities.

**Workers**

1. **NO SMOKING anywhere on the premises at any time.**
2. Workers shall not loiter or eat in the main lobbies.
3. Workers should not pass through the main lobbies if it can be avoided.
4. Workers shall only use the elevator when moving between floors or accessing the Loading Dock.
5. Workers shall only use stairwells in the case of a building emergency.
6. Workers shall only use the restrooms assigned.
7. Workers shall be in designated work areas only.
8. Workers shall keep out of all occupied areas.
9. Do not clean paint brushes, tools, or similar items in any plumbing fixtures, with the exception of the sink in the janitor's closets, and even then, only with the explicit permission of building management.
10. Contractor shall make arrangements with building management to obtain necessary security passes for all personnel prior to performing work on the premises.
**Specific Work Requirements**

**Housekeeping**

1. Work and access areas are to be maintained in broom clean condition.
2. Use of doormats at doorways is required.
3. Containers and trash from food / beverages shall be emptied daily.

**Material and Debris**

**Dumpsters**

Construction Dumpsters may only be in loading dock area during scheduled cleaning times. **Do not leave construction debris in the loading dock for any period of time.** Please schedule cleaning hours during Material Loading / Delivery Hours. Dumpster delivery and removal **must be** scheduled with the Management Office and/or with Security.

**Other Rules:**

1. Please schedule all material deliveries and removals with the Management Office. No materials are to be left unattended in the loading dock at any time.
2. All removal of construction debris and/or stocking of materials must be done during Material Loading / Delivery Hours. Please see Hours of Operation section.
3. All construction materials must be recycled accordingly, with documentation provided to the management office.

**Demolition**

Unless explicit approval from the Landlord is granted to do such work at other times, **all demolition is to be done from 6:00 PM to 6:00 AM Monday through Friday.**

**Air Conditioning / Ventilation**

1. All construction areas must be properly ventilated with either temporary HEPA type filters or fresh air, as the weather allows. No odors (i.e. paint, adhesives, etc.) shall leave the construction area.
2. The permanent base building HVAC system shall not be used until there is no possibility of dust (such as that generated by drywall taping and sanding, sweeping, etc.) entering the system.
3. System must be balanced at completion of job.
4. Tenant must furnish a balancing report to the Landlord.
5. All unused ductwork must be removed.
6. All condensate lines are to be insulated rigid copper tubing.
7. As-built HVAC drawings must be given to Landlord upon completion.
Plumbing

1. Plumbing risers CANNOT be shut down during Building Hours.
2. Exposed plumbing is NOT permitted.
3. All unused fixtures and piping must be removed and/or capped at their respective risers.
4. Plastic/PVC piping is NOT permitted.
5. Contractor must provide lead or fiber shields between hangers and clamps for copper pipe.
6. Sleeves are to be provided for each pipe passing through walls, partitions, floors or slabs and must be fire sealed if required.
7. All fixtures installed must have a local shutoff valve, and wherever two or more fixtures are in the same area, there must be a valve to control all fixtures as well as a shut-off valve at the riser. This includes all bathrooms, under kitchen sinks and on all hot water heaters.
8. All piping exposed to exterior elements or conditions must be insulated and heat traced.

Ceiling

1. All ceilings shall meet all building department requirements.
2. All ceilings are to be installed in strict accordance with the manufacturer’s specifications.
3. Access panels are to be provided wherever necessary for inspection, maintenance, and/or controls relating to air-conditioning, plumbing, or other building services.

Electrical / Telephone / Fire Alarm

1. Landlord will reasonably approve where and how power, telephone, data and other wires are to be installed in the Premises. No boring or cutting for wires shall be allowed without the Landlord’s consent.
2. Under no circumstances will wiring be allowed above the beams or between the deck flutes NO EXCEPTIONS.
3. Access to building electrical / telephone / fire alarm closets will be restricted. Coordinate all access requirements with building management.
Sprinkler / Fire Alarm Systems

Shutdowns of the sprinkler or fire alarm systems shall be coordinated with the Lead Building Engineer. Please call (978) 625-9516 to schedule. Any overtime work requiring the building systems to be shut down will require Building Engineer to be present. The tenant/contractor will pay the cost of the Engineer at the rates provided in this document. The building’s fire alarm contractor will tie-in all additional devices to the building fire alarm system.

Fire Alarm Contractor
Encore Fire Protection
67 4th Avenue
Needham, MA 02494
(800) 966-0000

Life Safety System / Fire Alarm Procedure

Construction activity may cause smoke detectors to activate, causing disruptions and a possible false fire alarm fine. Therefore, the system must be disarmed daily when work is being done and then re-armed for the remainder of the day. Contractors should NOT tamper with or bag smoke detectors without the specific permission of Building Management and a permit from the City of Boston Fire Department.

Forty-Eight hour (two days) notice is required to disarm the system.

Five days notice is required whenever the Life Safety System will need to be tested. This will usually be scheduled after Normal Business Hours.

Permission to disarm or bag any fire alarm device will NOT be granted unless a copy of an Andover Fire Department Permit is on file in the Management Office.
NO EXCEPTIONS.

All arrangements should be made through CBRE Management and the Building Engineer. Any associated costs for a false alarm will be charged to the Tenant / Contractor.

EXHIBIT “I”
Deliveries

All deliveries are subject to the guidelines noted previously within this document. In addition to the above, any equipment, construction materials or Tenant work that will require crane lifts is to be coordinated well in advance and is to be done off-hours. Off-hours shall be defined as Weekends only and will not interfere with the occupants entering or exiting the Premises.

Demolition

Any work that is potentially disruptive to other Tenants in the building will need to be done as noted previously within this report from 6 PM - 6 AM or on weekends. This will include concrete removal, interior partitions, floor/ceiling work etc.

Any work that can cause unnecessary noise, dust or impairments to the Life Safety System will need to be coordinated with the Management Office prior to work commencing.

All personnel will be required to check in with security and enter/exit the building via the loading dock. NOTE: State regulations now require an elevator operator run the freight car if the cab is also available to occupied floors in the building. This is an added contractor cost.

Load Ins/Outs

All Load Ins/Outs shall be live load ins/outs whenever possible. If dumpsters are required, the Contractor shall coordinate this with the building management office.

Shutdowns

Any shutdowns for MEP, Electric, Gas, are to be done off hours and coordinated well in advance as noted previously within this report. Temporary power, plumbing etc. will need to be made available and the cost of which will be the contractor’s responsibility.

Innovation Park Roof Access Procedure

All contractors/visitors shall check in with security at the loading dock. All contractors/visitors are to be escorted by a member of the CBRE staff out to the
roof and will stay with the individual at all times, when applicable. No access will be granted without advanced notice.

All personnel accessing Innovation Park building roofs must follow safe work practices for ensuring life safety and comply with OSHA regulations. For reference please visit https://www.osha.gov/.

1. Avoid or restrict roof access work when wet or windy weather conditions exist after dark unless it is a building emergency and adequate illumination is available.
2. Pay attention to all posted safety signage at roof access point(s).

During roof work:

1. Ensure safety down below. For work being performed close to the roof’s edge, demarcate and barricade the area(s) below to protect pedestrians from falling debris.
2. Pay extra attention to where you walk. Avoid stepping backwards.
3. Always inspect the site and equipment.

Finishing up:

1. Prior to leaving the roof, clean up and remove all tools, equipment, and materials.
2. Never leave any items on the rooftop that can be blown off by the wind.
3. Lock the roof access door and/or hatch to prevent unauthorized roof access.
4. Check out with security at the loading dock when leaving to verify that there is no one remaining on the roof.
5. Security will then verify no one is left on the roof and all access points are secured.
We consent to the reference to our firm under the caption “Experts” and to the use of our report dated July 29, 2020 (except for Note 14(b), as to which the date is September 28, 2020), in the Registration Statement (Form S-1) and the related Prospectus of Oncorus, Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 9, 2021