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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-41949

Metagenomi Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**81-3909017**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
5959 Horton Street, 7th Floor Emeryville, California	**94608**
(Address of principal executive offices)	**(Zip Code)**

(510) 871-4880
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	MGX	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 6, 2026, the registrant had 37,777,105 shares of common stock, $0.0001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains express or implied forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management and which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the initiation, timing, progress and results of our research and development programs, preclinical studies and future clinical trials;
- our ability to demonstrate, and the timing of, preclinical proof-of-concept *in vivo* and *ex vivo* for multiple programs;
- our ability to advance any product candidates that we may identify and successfully complete any clinical studies, including the manufacture of any such product candidates;
- our ability to quickly leverage programs within our initial target indications and to progress additional programs to further develop our pipeline;
- the timing of our Investigational New Drug ("IND") applications submissions;
- the implementation of our strategic plans for our business, programs and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our genome editing technology and platform;
- developments related to our competitors and our industry;
- our ability to leverage the clinical, regulatory, and manufacturing advancements made by genome editing programs to accelerate our clinical trials and approval of product candidates;
- our ability to maintain existing license agreements and collaborations and identify and enter into future license agreements and collaborations;
- developments related to our genome editing technology and platform;
- regulatory developments in the United States and foreign countries;
- our ability to attract and retain key scientific and management personnel;
- the volatility of capital markets and other adverse macroeconomic factors, including due to inflationary pressures, tariffs, and other trade protection measures that have been or may in the future be imposed by the United States (the "U.S.") or other countries, interest rate and currency rate fluctuations, economic slowdown or recession, banking instability, monetary policy changes, geopolitical tensions or the outbreak of hostilities or war, including from the ongoing Russia-Ukraine conflict, the current conflicts in Iran and the Middle East (including any escalation or expansion), the current conflict in Venezuela and increasing tensions between China and Taiwan; and
- estimates of our expenses, capital requirements, and needs for additional financing.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and are subject to change. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors, which are, in some cases, beyond our control and which could materially affect results. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section entitled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed with the SEC as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Quarterly Report on Form 10-Q. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain.

This Quarterly Report on Form 10-Q also contains estimates, projections and other information concerning our industry, our business and the markets for our programs and product candidates. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market, and other data from our own internal estimates and research as well as from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. While we are not aware of any misstatements regarding any third-party information presented in this Quarterly Report on Form 10-Q, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties and are subject to change based on various factors, including those discussed under the section entitled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

From time to time, we may use our website to distribute material information about us and for complying with our disclosure obligations under Regulation FD. Our financial and other material information is routinely posted to and accessible on the Investor Relations section of our website, available at https://ir.metagenomi.co/. Investors are encouraged to review the Investor Relations section of our website because we may post material information on that site that is not otherwise disseminated by us. Information that is contained in and can be accessed through our website are not incorporated into, and does not form a part of, this Quarterly Report on Form 10-Q.

Trademarks and Service Marks

This Quarterly Report on Form 10-Q contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Quarterly Report on Form 10-Q, including logos, artwork and other visual displays, may appear without the ® or TM symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other entities' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other entity.

Market, Industry and Other Data

Unless otherwise indicated, information contained in this Quarterly Report on Form 10-Q concerning our industry and the markets in which we operate, including our general expectations about our product candidates, market position, market opportunity, market size, competitive position and the incidence of certain medical conditions, is based on or derived from publicly available information released by industry analysts and third-party sources, independent market research, industry and general publications and surveys, governmental agencies, our internal research and our industry experience. Our estimates of the potential market opportunities for our product candidates include a number of key assumptions based on our industry knowledge and industry publications, the latter of which may be based on small sample sizes and fail to accurately reflect such information, and you are cautioned not to give undue weight to such estimates. While we believe that our internal assumptions are reasonable, no independent source has verified such assumptions. Industry publications and third-party research often 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 and such information is inherently imprecise. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires. In addition, 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 Part II, Item 1A of this Quarterly Report on Form 10-Q titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. These and other factors could cause results to differ materially from those expressed in the estimates made by independent third parties and by us.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Metagenomi Therapeutics, Inc.
Condensed Balance Sheets
(Unaudited)
(*In thousands, except share and per share data*)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 39,028	$ 41,722
Available-for-sale marketable securities	81,636	119,077
Accounts receivable	—	305
Prepaid expenses and other current assets	3,804	4,434
Total current assets	124,468	165,538
Property and equipment, net	9,896	12,288
Long-term investments	2,154	2,154
Operating lease right-of-use assets	31,772	35,094
Other assets	1,018	836
Restricted cash	4,393	5,193
Total assets	$ 173,701	$ 221,103
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,603	$ 1,489
Accrued expenses and other current liabilities	7,596	6,719
Current portion of operating lease liabilities	6,235	6,025
Deferred revenue	11,198	8,700
Total current liabilities	27,632	22,933
Non-current portion of operating lease liabilities	31,485	34,632
Deferred revenue, non-current	—	2,989
Other non-current liabilities	2,017	1,953
Total liabilities	61,134	62,507
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock: $0.0001 par value; 10,000,000 shares authorized and zero shares issued and outstanding	—	—
Common stock: $0.0001 par value; 500,000,000 shares authorized; 37,777,105 and 37,620,668 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	4	4
Additional paid-in-capital	474,096	469,202
Accumulated other comprehensive income (loss)	(122)	260
Accumulated deficit	(361,411)	(310,870)
Total stockholders' equity	112,567	158,596
Total liabilities and stockholders' equity	$ 173,701	$ 221,103

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

Metagenomi Therapeutics, Inc.
Condensed Statements of Operations and Comprehensive Loss
(Unaudited)
(*In thousands, except share and per share data*)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Collaboration revenue	$ (257)	$ 8,513	$ 991	$ 12,640
Operating expenses:				
Research and development	22,512	22,507	41,812	47,649
General and administrative	6,004	6,993	12,539	13,798
Total operating expenses	28,516	29,500	54,351	61,447
Loss from operations	(28,773)	(20,987)	(53,360)	(48,807)
Other income (expense):				
Interest income	1,256	2,485	2,795	5,372
Change in fair value of long-term investments	—	(1,292)	—	(1,292)
Other income (expense), net	35	(70)	34	(78)
Total other income, net	1,291	1,123	2,829	4,002
Net loss before provision for income taxes	(27,482)	(19,864)	(50,531)	(44,805)
Provision for income taxes	—	(44)	(10)	(142)
Net loss	$ (27,482)	$ (19,908)	$ (50,541)	$ (44,947)
Other comprehensive income (loss):				
Unrealized loss on available-for-sale marketable securities	(78)	(249)	(382)	(337)
Comprehensive loss	$ (27,560)	$ (20,157)	$ (50,923)	$ (45,284)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.73)	$ (0.54)	$ (1.34)	$ (1.21)
Weighted average common shares outstanding, basic and diluted	37,658,250	37,156,979	37,619,885	37,088,383

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

Metagenomi Therapeutics, Inc.
Condensed Statements of Stockholders' Equity
(Unaudited)
(*In thousands, except share data*)

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Income (Loss)	Deficit	Equity
BALANCE—December 31, 2025	37,620,668	$ 4	$ 469,202	$ 260	$ (310,870)	$ 158,596
Vesting of restricted stock units	27,081	—	—	—	—	—
Forfeiture of unvested common stock	(692)	—	—	—	—	—
Stock-based compensation expense	—	—	2,552	—	—	2,552
Other comprehensive loss	—	—	—	(304)	—	(304)
Net loss	—	—	—	—	(23,059)	(23,059)
BALANCE—March 31, 2026	37,647,057	4	471,754	(44)	(333,929)	137,785
Vesting of restricted stock units	77,543	—	—	—	—	—
Issuance of common stock under employee stock purchase plan (ESPP)	63,867	—	74	—	—	74
Forfeiture of unvested common stock	(11,362)	—	—	—	—	—
Stock-based compensation expense	—	—	2,268	—	—	2,268
Other comprehensive loss	—	—	—	(78)	—	(78)
Net loss	—	—	—	—	(27,482)	(27,482)
BALANCE—June 30, 2026	37,777,105	$ 4	$ 474,096	$ (122)	$ (361,411)	$ 112,567
BALANCE—December 31, 2024	37,418,470	$ 4	$ 457,146	$ 709	$ (223,002)	$ 234,857
Vesting of restricted stock units	11,371	—	—	—	—	—
Forfeiture of unvested common stock	(47,363)	—	—	—	—	—
Stock-based compensation expense	—	—	2,928	—	—	2,928
Other comprehensive loss	—	—	—	(88)	—	(88)
Net loss	—	—	—	—	(25,039)	(25,039)
BALANCE—March 31, 2025	37,382,478	4	460,074	621	(248,041)	212,658
Vesting of restricted stock units	76,928	—	—	—	—	—
Issuance of common stock under ESPP	75,338	—	109	—	—	109
Forfeiture of unvested common stock	(1,608)	—	—	—	—	—
Stock-based compensation expense	—	—	3,221	—	—	3,221
Other comprehensive loss	—	—	—	(249)	—	(249)
Net loss	—	—	—	—	(19,908)	(19,908)
BALANCE—June 30, 2025	37,533,136	$ 4	$ 463,404	$ 372	$ (267,949)	$ 195,831

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

Metagenomi Therapeutics, Inc.
Condensed Statements of Cash Flows
(Unaudited)
(*In thousands*)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (50,541)	$ (44,947)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation expense	4,820	6,149
Depreciation	2,540	2,693
Loss on fixed assets write-off	—	181
Non-cash lease expense	2,690	2,664
Accretion of discounts on available-for-sale marketable securities	(555)	(1,825)
Amortization of non-cash collaboration revenue	—	(87)
Change in fair value of long-term investments	—	1,292
Impairment of right of use assets	634	—
Changes in operating assets and liabilities:		
Accounts receivable	305	384
Prepaid expenses and other assets	783	2,687
Accounts payable	1,114	2,284
Deferred revenue	(491)	(10,417)
Accrued expenses and other current liabilities	886	(2,476)
Operating lease liabilities	(2,937)	(2,818)
Other non-current liabilities	64	143
Net cash used in operating activities	(40,688)	(44,093)
Cash flows from investing activities		
Purchases of property and equipment	(150)	(415)
Proceeds from sale of property and equipment	—	37
Purchases of available-for-sale marketable securities	(40,655)	(40,796)
Maturities of available-for-sale marketable securities	77,959	84,974
Net cash provided by investing activities	37,154	43,800
Cash flows from financing activities		
Proceeds from issuance of common stock under the ESPP	74	109
Payment of deferred financing costs	(34)	(352)
Net cash provided by (used in) financing activities	40	(243)
Net decrease in cash, cash equivalents and restricted cash	(3,494)	(536)
Cash, cash equivalents and restricted cash at beginning of period	46,915	32,634
Cash, cash equivalents and restricted cash at end of period	$ 43,421	$ 32,098
Supplemental disclosure of non-cash information		
Deferred finance issuance costs included in accounts payable, accrued expenses and other current liabilities	$ 2	$ 183
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 39,028	$ 26,850
Restricted cash	4,393	5,248
Cash, cash equivalents and restricted cash at end of period	$ 43,421	$ 32,098

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

Metagenomi Therapeutics, Inc.
Notes to Condensed Financial Statements
(Unaudited)

1. Description of Business, Organization and Liquidity

Organization and Business

Metagenomi Therapeutics, Inc. ("Metagenomi" or the "Company"), formerly known as Metagenomi, Inc., is an in vivo genome editing company capitalizing on its proprietary technologies to create curative genetic medicines for patients.

Name Change

In the first quarter of 2026, the Company announced a corporate name change to Metagenomi Therapeutics, Inc. This change emphasized the Company's strategic evolution focused on driving its later-stage preclinical programs into the clinic and utilizing its most advanced technologies that have the highest probability of success to deliver the benefits of gene-editing therapeutics to patients.

Liquidity and Going Concern

The Company has incurred significant losses and negative cash flows from operations since its inception. As of June 30, 2026, the Company had an accumulated deficit of $361.4 million. The Company has historically financed its operations primarily through issuance of redeemable convertible preferred stock, convertible promissory notes, its collaboration agreements, and sales of its common stock. In February 2024, the Company completed its IPO for aggregate net proceeds of approximately $80.7 million, after deducting underwriting discounts and commissions and other offering costs totaling approximately $13.0 million. As of June 30, 2026, the Company had $75.0 million of capacity available under the ATM Sales Agreement as defined below. The Company expects to continue to incur substantial losses, and its ability to achieve and sustain profitability will depend on the successful development, approval, and commercialization of any product candidates it may develop, and on the achievement of sufficient revenue to support its cost structure. The Company may never achieve profitability and, unless and until it does, it will need to continue to raise additional capital. There can be no assurance that the Company will be successful in acquiring additional capital at levels sufficient to fund its operations or on terms acceptable to the Company or at all. Management believes that existing cash, cash equivalents and available-for-sale marketable securities as of June 30, 2026, of $120.7 million will be sufficient to fund its current operating plan for at least the next 12 months from the date of issuance of these unaudited condensed financial statements.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies" to the financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to these policies during the six months ended June 30, 2026.

Basis of Presentation

These condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Accordingly, these financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, these financial statements include all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the Company's condensed financial statements for the periods presented. These interim financial results are not necessarily indicative of results to be expected for the full fiscal year ending December 31, 2026, or any other future period. Readers should read these interim unaudited condensed financial statements in conjunction with the audited financial statements and the related notes thereto for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K filed with the SEC. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. On an ongoing basis, the Company evaluates estimates and assumptions, including but not limited to those related to revenue recognition under its collaboration agreements, stock-based compensation expense, accruals, the fair value of long-term investments, the valuation of deferred tax assets and uncertain income tax positions. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from those estimates.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires, among other things, more detailed disclosures about specified categories of expense (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the face of the income statement. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. This ASU may be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

3. Fair Value Measurements

The following tables summarize financial assets that were measured at fair value on a recurring basis by level within the fair value hierarchy (in thousands):

	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Money market funds (included in cash and cash equivalents)	$ 37,222	$ 37,222	$ —	$ —
U.S. government bonds	43,744	—	43,744	—
Government agency obligations	9,991	—	9,991	—
Corporate debt obligations	16,574	—	16,574	—
Commercial paper	11,327	—	11,327	—
Total fair value of assets	$ 118,858	$ 37,222	$ 81,636	$ —

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Money market funds (included in cash and cash equivalents)	$ 40,721	$ 40,721	$ —	$ —
U.S. government bonds	72,177	—	72,177	—
Government agency obligations	15,825	—	15,825	—
Corporate debt obligations	15,211	—	15,211	—
Commercial paper	15,864	—	15,864	—
Total fair value of assets	$ 159,798	$ 40,721	$ 119,077	$ —

In addition, restricted cash of $4.4 million and $5.2 million as of June 30, 2026 and December 31, 2025, respectively, collateralized by the Company's cash equivalents, are financial assets measured at fair value and are Level 1 financial instruments under the fair value hierarchy.

The Company has investments in preferred stock, common stock and warrants of Affini-T Therapeutics, Inc. ("Affini-T") (see Note 5, "Long-Term Investments") which are Level 3 financial assets. The equity value of the investments in Affini-T was determined under a fair-value hybrid method with the changes in fair value recorded within other income (expense), net. The hybrid method is a hybrid between the probability-weighted expected returns method (the "PWERM") and the option-pricing model backsolve method (the "OPM"). As of June 30, 2026 and December 31, 2025, the estimated fair value of the Company's investments in Affini-T was zero. During the three and six months ended June 30, 2026, the Company did not record any changes in the fair value of the Company's Level 3 financial assets. The Company recognized a loss related to the change in fair value of $1.3 million during the three and six months ended June 30, 2025.

4. Marketable Securities

The following tables summarize the amortized cost, unrealized gains (losses) and fair value of available-for-sale marketable securities (in thousands):

	June 30, 2026			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	$ 37,222	$ —	$ —	$ 37,222
U.S. government bonds	43,811	7	(74)	43,744
Government agency obligations	9,993	1	(3)	9,991
Corporate debt obligations	16,613	—	(39)	16,574
Commercial paper	11,341	—	(14)	11,327
Total	118,980	8	(130)	118,858
Less: amounts classified as cash equivalents	(37,222)	—	—	(37,222)
Total available-for-sale marketable securities	$ 81,758	$ 8	$ (130)	$ 81,636

	December 31, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	$ 40,721	$ —	$ —	$ 40,721
U.S. government bonds	72,006	172	(1)	72,177
Government agency obligations	15,762	63	—	15,825
Corporate debt obligations	15,201	10	—	15,211
Commercial paper	15,848	16	—	15,864
Total	159,538	261	(1)	159,798
Less: amounts classified as cash equivalents	(40,721)	—	—	(40,721)
Total available-for-sale marketable securities	$ 118,817	$ 261	$ (1)	$ 119,077

As of June 30, 2026 and December 31, 2025, no significant facts or circumstances were present to indicate a deterioration in the creditworthiness of the issuers of the available-for-sale securities, and the Company has no requirement or intention to sell these securities before maturity or recovery of their amortized cost basis. The Company considered the current and expected future economic and market conditions and determined that its investments were not significantly impacted. For all securities with a fair value less than its amortized cost basis, the Company determined the decline in fair value below amortized cost basis to be immaterial and non-credit related, and therefore no allowance for losses has been recorded. During the three and six months ended June 30, 2026 and 2025, the Company did not recognize any impairment losses on its investments.

Accrued interest receivable included in prepaid expenses and other current assets as of June 30, 2026 and December 31, 2025 was $0.9 million and $1.2 million, respectively. The Company has not written off any accrued interest receivable during the three and six months ended June 30, 2026 and 2025.

The amortized cost and fair value of available-for-sale marketable securities by contractual maturity were as follows (in thousands):

	June 30, 2026		December 31, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Maturing within one year	$ 81,758	$ 81,636	$ 112,777	$ 113,038
Maturing in one to five years	—	—	6,040	6,039
Total available-for-sale marketable securities	$ 81,758	$ 81,636	$ 118,817	$ 119,077

5. Long-Term Investments

Affini-T investment

As of June 30, 2026 and December 31, 2025, the Company had investments in Affini-T consisting of 527,035 shares of Series A convertible preferred stock, 33,383 shares of Series B Preferred Stock, 1,867,300 shares of common stock, and a warrant exercisable for 16,691 shares of common stock.

In September 2025, Affini-T made an assignment for the benefit of creditors to Affini (assignment for the benefit of creditors), LLC, a California limited liability company, pursuant to California state law. As of June 30, 2026 and December 31, 2025, the estimated fair value of the Company's investments in Affini-T was zero.

ViTToria investment

As of June 30, 2026 and December 31, 2025, the Company had an investment in shares of preferred stock of ViTToria Biotherapeutics, Inc. ("ViTToria"), a private biotechnology company. During the six months ended June 30, 2026, and year ended December 31, 2025, the Company did not have a board seat and owned less than 20% of the outstanding voting shares of ViTToria. The investment in ViTToria does not provide the Company the ability to control or have significant influence over ViTToria's operations. The Company accounts for its investment in ViTToria using the measurement alternative method. As of June 30, 2026 and December 31, 2025, the carrying value of the Company's investment in ViTToria was $2.2 million and no impairment was recognized.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Accrued personnel related expenses	$ 3,501	$ 4,994
Accrued legal and professional services	737	711
Accrued research and development expenses	3,126	848
Accrued purchases of property and equipment	—	1
Other accrued liabilities	232	165
Total accrued expenses and other current liabilities	$ 7,596	$ 6,719

7. Significant Agreements

Ionis collaboration and license agreement

Terms of the agreement

In November 2022, the Company entered into a Collaboration and License Agreement with Ionis Pharmaceuticals, Inc. ("Ionis") (the "Ionis Agreement") to research, develop and commercialize investigational medicines using the Company's genome editing technologies, with the goal of discovering novel medicines. Pursuant to the terms of the Ionis Agreement, the Company granted Ionis and its affiliates a worldwide exclusive, royalty-bearing license, with the right to grant sublicenses, to use all licensed systems and licensed products in the field of *in vivo* genome editing for all therapeutic, prophylactic, palliative, and analgesic uses in humans. In connection with the Ionis Agreement, the Company also has the right to exercise an exclusive option to co-develop and co-commercialize certain products under a drug discovery program. A joint steering committee was established by both parties to coordinate, oversee and monitor the research and drug discovery activities under the Ionis Agreement.

The parties will collaborate to discover therapeutic products under a drug discovery program and develop a drug discovery plan for each target, selected by Ionis. The target selection is divided into two waves: up to four targets in Wave 1 and up to four targets in Wave 2. For each drug discovery program, once the parties identify a development candidate that is suitable for further development, Ionis will be responsible for the development and commercialization of products resulting from such program. Per the terms of the Ionis Agreement, at any time prior to the designation of a development candidate for a drug discovery program and for any reason, Ionis may replace the collaboration target, provided such target has not previously been substituted out. Ionis may substitute (i) up to two Wave 1 targets and (ii) up to two Wave 2 targets.

The drug discovery activities for a program commence on the selection of a target and expire upon the earlier of (a) completion of all drug discovery activities for such program, (b) the fifth anniversary of the effective date and (c) selection of a development candidate for such drug discovery program. If one or more Wave 2 targets become collaboration targets as a result of the parties achieving enabled delivery and less than two years are remaining in the drug discovery term, then the term will be extended to the earlier of (i) the time that the Company completes all of its activities under the applicable drug discovery plan and (ii) the seventh anniversary of the effective date, subject to the Company's consent.

The parties will also conduct an exploratory research program, and will jointly optimize gRNA and select delivery technologies and other activities. The exploratory research activities commence on the effective date and expire upon the earlier of (a) completion of all exploratory research activities established in the exploratory research plan, and (b) the fifth anniversary of the effective date. The exploratory research plan obligation was discontinued as of April 1, 2026.

The Company has the exclusive option to co-develop and co-commercialize the licensed products under a drug discovery program (the "Co-Co Option") with Ionis. The Co-Co Option may be exercised for (a) the initial Wave 1 target ("Target 1"), (b) no more than one of the other three discovery programs for the Wave 1 targets, and (c) no more than two drug discovery programs for the Wave 2 targets that become collaboration targets. If the Company exercises the Co-Co Option for a particular drug discovery program, that drug discovery program will automatically be deemed a "Co-Co Program," all corresponding licensed products be deemed "Co-Co Products," the Company will be obligated to pay Ionis an option exercise fee, and the parties will enter into a separate co-development and co-commercialization agreement. The Co-Co Option exercise fee will equal 50% of Ionis' internal costs and out-of-pocket costs incurred in the conduct of the drug discovery activities prior to the exercise of the Co-Co Option and be reduced by 50% of the Company's corresponding costs incurred. Future development and commercialization costs will be shared equally. The Company may elect to reduce its cost-share percentage anywhere between 50% and 25% on a go-forward basis, provided the Company will continue to bear 50% of the costs of any clinical trials ongoing at the time of the election through the completion of the clinical trials.

The Company will manufacture all licensed systems and certain components of the applicable licensed products that are needed by Ionis for use in its development activities and all of the Company's manufactured components needed by Ionis for use in its commercialization activities. The Company will provide the manufactured components at a price that represents the cost of goods plus 15%. As of June 30, 2026, the Company received a total of $2.5 million related to the manufactured components.

Pursuant to the terms of the Ionis Agreement, the Company has also been granted an option to obtain a non-exclusive, royalty-bearing license, with the right to grant sublicenses, for certain Ionis' background technology to use in up to eight therapeutic products discovered by the Company in the field of *in vivo* genome editing and directed to a Collaboration Target (each such product, a "Metagenomi Product" and each such option an "Ionis IP Option"), but subject to encumbrance checks with respect to particular targets. A Collaboration Target is a target that is selected by Ionis, and, with respect to the Company is not the subject of discussions with a third party, is not the subject of a contractual grant of rights to a third party nor the subject to an internal research and development program. If the Company exercises its Ionis IP Option, the Company will pay to Ionis up to several million dollars per Metagenomi Product upon achievement of certain clinical and regulatory milestones. The Company is also obligated to pay Ionis royalties in an amount equal to a low single-digit royalty on the net sales of the applicable Metagenomi Product on a product-by-product and country-by-country basis.

In November 2022, the Company received an $80.0 million upfront payment from Ionis for the Wave 1 drug discovery research collaboration and selected Target 1. Ionis selected its second target ("Target 2") in Wave 1 in December 2022, its third target ("Target 3") in Wave 1 in November 2023, and its fourth target ("Target 4") in Wave 1 in February 2024. Ionis has an option to select up to four Wave 2 targets at any time during the drug discovery term, if (a) an IND for any licensed product directed to a Wave 1 target is filed with the applicable regulatory authority or (b) the parties achieve enabled delivery for a non-liver target under the exploratory research activities, by providing written notice and by paying a Wave 2 target selection fee of $15.0 million or $30.0 million, depending on and per the selected target.

Ionis is obligated to reimburse the Company for all internal costs and out-of-pocket costs incurred in the performance of the exploratory research activities, up to an aggregate of $10.0 million, which is payable in quarterly installments of $0.5 million during the exploratory research term. As of June 30, 2026, the Company received a total of $6.5 million related to the reimbursable expenses. The Company is also eligible to receive (a) up to $29.0 million in future development milestone payments for each licensed product; (b) up to $60.0 million in future regulatory milestone payments for each licensed product; (c) up to $250.0 million in sales-based milestones for each licensed product; and (d) royalties on annual net sales of licensed products from a mid-single-digit to low-teens percentage, subject to customary reductions.

The term of the Ionis Agreement will continue (i) with respect to the drug discovery programs, until the expiration of all applicable royalty terms for a licensed product, (ii) with respect to the Co-Co Programs, until the parties cease all exploitation for the Co-Co Products that are the subject to such Co-Co Program, and with respect to the Metagenomi Products, until the expiration of the royalty term for a Metagenomi Product. The royalty term ends on the latest of the following two dates: (i) the expiration of (A) the last claim of any issued and unexpired patent, or (B) a claim within a patent application that has not been pending for more than seven years from the earliest date to which the claim or applicable patent application is entitled to claim priority and which claim has not been revoked, canceled, withdrawn, held invalid, or abandoned, or (ii) 12 years following the first commercial sale of a licensed product.

The Ionis Agreement may be terminated during the term by either party for an uncured material breach or bankruptcy by the other party. Additionally, Ionis may terminate the Ionis Agreement for convenience and without penalty, in its entirety or on a licensed product-by-licensed product basis, by providing 90 days' written notice.

Agreement modification

On April 1, 2026, the parties modified the drug discovery plan for one of the Wave 1 targets to perform new research services, which resulted in additional costs and extended timing for this program. There were no changes to the drug discovery plan for the remaining three Wave 1 targets. The parties also agreed that the exploratory research plan obligation has been discontinued as of April 1, 2026, and that there will be no additional exploratory cost reimbursements.

Accounting analysis and revenue recognition

The Company concluded that the Ionis Agreement is in the scope of ASC 606 at the effective date and until the Company exercises its Co-Co Option for any drug discovery program, at which time the Company will reassess the accounting for the Ionis Agreement, which was determined to not be probable at the effective date and as of June 30, 2026 and December 31, 2025. The Company also concluded that exclusive licenses and participation in a joint steering committee are not distinct from discovery research services and should thus be combined into one performance obligation (the "discovery program"). The Company also concluded that exploratory research services are a separate and distinct performance obligation (the "exploratory program"). The Ionis options for Wave 2 targets are optional purchases and do not have significant incremental discounts, as such, the options do not provide material rights.

The Company allocated the initial total estimated transaction price of $90.0 million, which consisted of an $80.0 million upfront payment received in November 2022 and $10.0 million in reimbursements for research costs, into two performance obligations, which was determined based on their estimated standalone selling prices. The Company concluded that future development and commercial supply agreements are at market terms, as the terms were consistent with industry standards as of the effective date. The Company constrains future milestone payments under the arrangement to the extent that the inclusion of such variable consideration could result in a significant reversal of cumulative revenue in future periods. The Company constrained all development and regulatory milestone payments at the effective date and as of June 30, 2026 and December 31, 2025. Prior to the contract modification, the Company was recognizing revenue of $80.0 million related to the discovery program and $10.0 million related to exploratory program over the research terms using an estimated cost-based input method as a measure of progress for each obligation.

In June 2024, the Company included previously constrained estimated manufacturing costs in the transaction price, resulting in a $3.4 million increase to variable consideration.

In April 2026, the parties modified the agreement upon the JSC approval of changes to the discovery program and the exploratory program obligations. Under ASC 606, the Company concluded that the additional research services related to one of four Wave 1 targets in the discovery program represents a new separate and distinct performance obligation (the "new discovery performance obligation"). The research services for the remaining three Wave 1 targets in the discovery program remain under the original performance obligation (the "original discovery performance obligation"). The parties also agreed that the exploratory research plan obligation has been discontinued as of April 1, 2026, and that there will be no additional exploratory cost reimbursements. The Company allocated the remaining $12.4 million transaction consideration between the original discovery performance obligation and the new discovery performance obligation based on their relative standalone selling price. The consideration allocated to the new discovery performance obligation is accounted for prospectively using a cost-based input method as services are performed through the estimated time to completion. The consideration allocated to the original discovery performance obligation was compared with the previously recognized revenue and a cumulative catch-up adjustment of $2.6 million was recorded as a reduction to collaboration revenue in the three months ended June 30, 2026. Following the modification, the Company recognized $2.3 million of revenue as services were performed. The Company continues recognizing revenue related to the original discovery performance obligation using a cost-based input method as services are performed after the modification through the estimated time to completion.

The Company recognized collaboration revenue of $(0.3) million and $1.0 million for the three and six months ended June 30, 2026, respectively, of which zero and $0.3 million, respectively, was included in deferred revenue as of December 31, 2025. The Company recognized collaboration revenue of $8.2 million and $12.2 million for the three and six months ended June 30, 2025, respectively, of which $7.5 million and $9.9 million, respectively, was included in deferred revenue as of December 31, 2024. As of June 30, 2026 and December 31, 2025, deferred revenue related to the Ionis Agreement was $11.2 million and $11.7 million, respectively. As of June 30, 2026 and December 31, 2025, the accounts receivable balance was zero and $0.3 million, respectively. The value of the transaction price allocated to the remaining performance obligations was approximately $12.7 million as of June 30, 2026, which the Company expects to recognize as revenue over the next year.

Acuitas license agreement

In September 2025, the Company entered into a Non-Exclusive License Agreement (the "Acuitas License Agreement") with Acuitas Therapeutics, Inc. ("Acuitas") pursuant to which Acuitas granted the Company a non-exclusive license to certain Acuitas lipid nanoparticle ("LNP") technology, including LNP patents, formulation processes, and analytical characterization methods for manufacturing products that incorporate the Company's proprietary genome editing constructs formulated with Acuitas LNP technology, to research, develop, sell, and commercialize certain licensed products in connection with a single target.

Simultaneous with the execution of the Acuitas License Agreement, the Company was obligated to pay a licensing fee of $3.0 million. As the licensed products have not reached technological feasibility and have no alternate use, the licensing fee was recorded as research and development expense. Further, the Company is also obligated to pay Acuitas (i) a license maintenance fee in the low seven figures, payable on the one year anniversary of the effective date of the Acuitas License Agreement and each twelve month anniversary thereafter until such time as the first patient is dosed in a Phase 1 study for a licensed product under the Acuitas License Agreement; (ii) milestone payments in the low to mid seven figures upon certain regulatory and commercialization milestones; and (iii) royalties in the low mid-single digit percentage of net sales. The Company assessed the milestone and royalty events involving the Acuitas License Agreement and determined that no accruals related to such events were required as of June 30, 2026.

The Acuitas License Agreement will remain in effect on a licensed product-by-licensed product and country-by-country basis until there are no outstanding royalty payments owed to Acuitas. Further, the Acuitas License Agreement may be terminated by either party for material breach or upon a party's insolvency or bankruptcy, and Acuitas may immediately terminate in specified situations. Upon 30 days written notice, the Company has the right to terminate the Acuitas License Agreement at its discretion.

Affini-T development, option and license agreement

The Company was previously party to the Affini-T Agreement, entered into in June 2022. On September 30, 2025 (the "Termination Date"), the Company delivered to Affini-T a notice to terminate the Affini-T Agreement by and between the Company and Affini-T (the "Termination"), effective immediately, due to Affini-T's making of an assignment for the benefit of creditors.

Prior to the Termination, the parties agreed to identify, develop or optimize certain reagents using the Company's proprietary technology for Affini-T to use such reagents to develop and commercialize gene edited T-cell receptor ("TCR")-based therapeutic products exclusively in the field of treatment, prevention or diagnosis of any human cancer using products with any engineered primary TCR alpha/beta T cells and non-exclusively in the field of treatment, prevention or diagnosis of any human cancer using products with certain other engineered immune cells worldwide.

During the three and six months ended June 30, 2025, the Company recognized $0.3 million and $0.4 million of collaboration revenue, respectively. As of December 31, 2025, there were no remaining unsatisfied performance obligations. As of June 30, 2026 and December 31, 2025, the accounts receivable balance, net of allowance for doubtful accounts, and deferred revenue balances were zero.

8. Commitments and Contingencies

Operating leases

In April 2026, the Company entered into a sublease agreement for a portion of its office space in Emeryville, California. The Company performed a review of its asset group and determined that the right-of-use asset related to this building should be placed in a separate asset group because the sublease activities and cash flows are largely independent of the rest of the Company's cash flows. The Company accounted for this change in asset group prospectively. Further, the Company concluded that the sublease of this building was a triggering event indicating that the asset group's carrying amount may not be recoverable. The Company performed a recoverability analysis of the asset group and concluded that the net carrying value of the asset group exceeded the undiscounted net cash flows, indicating that an impairment loss should be recorded. The Company estimated the fair value of the right-of-use asset and recorded non-cash lease impairment expense of $0.6 million for the three months ended June 30, 2026. The impairment loss was recognized within research and development and general and administrative expense in the unaudited condensed statements of operations and comprehensive loss.

For more information about the Company's Operating Leases, see Note 8, "Commitments and Contingencies – Operating Leases" of the "Notes to Consolidated Financial Statements" included in Part II, Item 8 of its Annual Report on Form 10-K for the year ended December 31, 2025.

Legal contingencies

On September 26, 2024, a class action complaint was filed in the U.S. District Court for the Northern District of California against the Company and certain of the Company's officers and certain of its current and former directors, captioned *Vreeland v. Metagenomi Inc. et al.*, No. 5:24-cv-06765 (the "Securities Action"). On February 10, 2025, the court appointed Mingxi Bi as lead plaintiff. On April 4, 2025, the plaintiffs filed an amended complaint. The operative complaint in the Securities Action alleges violations of Section 11 of the Securities Act against all defendants and control person violations of Section 15 against the individuals. The Securities Action alleges that the defendants made misleading statements and omitted to disclose material information concerning the Company's collaboration with Moderna in the Company's registration statement and final prospectus materials filed in January 2024 and February 2024. The Securities Action seeks, among other things, compensatory damages as well as costs and expenses, including attorneys' fees and expert fees. On May 16, 2025, all defendants filed a motion to dismiss the claims of the Securities Action. On March 24, 2026, the Court granted-in-part and denied-in-part defendants' motion to dismiss. On May 27, 2026, Defendants answered the operative complaint. The case is currently in discovery. The Company is currently unable to predict the outcome of this lawsuit and therefore cannot determine the likelihood of loss, if any, nor estimate a range of possible loss. The Company intends to defend vigorously against this litigation.

From time to time, the Company may become involved in legal proceedings arising from the ordinary course of business. The Company records a liability for such matters when it is probable that future losses will be incurred and that such losses can be reasonably estimated. Significant judgment by the Company is required to determine both probability and the estimated amount. Other than the Securities Action, the Company is currently not aware of any legal matters that could have a material adverse effect on the Company's financial position, results of operations or cash flows.

Guarantees and indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. Its exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To the extent permitted under Delaware law, the Company has agreed to indemnify its directors and officers for certain events or occurrences while the director or officer is, or was serving, at a request in such capacity. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of June 30, 2026 and December 31, 2025, the Company did not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

9. Common Stock

The amended and restated certificate of incorporation, as amended, authorizes the Company to issue 500,000,000 shares of common stock. Each share of common stock is entitled to cast one vote. The holders of common stock are also entitled to receive distributions whenever funds are legally available and when declared by the Company's Board of Directors. No distributions have been declared from inception to date.

10. Stock-Based Compensation

2019 Equity Incentive Plan

Prior to the 2024 Company reorganization, the Company granted profits interests under the 2019 Equity Incentive Plan, adopted on March 13, 2019 (the "2019 Plan"). The Company granted profits interests with a threshold amount established by the Board of Managers of the Company's predecessor, Metagenomi LLC, on the date of issuance. The 2019 Plan allowed for grants of profits interests to the Company's officers, employees, directors and consultants. Immediately after the reorganization, all of the outstanding profits interest units were exchanged for shares of common stock, including shares subject to certain vesting conditions. The following table presents a summary of the unvested common stock activity:

Unvested Common Stock	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2025	61,127	$ 55.85
Vested	(35,221)	41.96
Forfeited	(12,054)	92.52
Outstanding as of June 30, 2026	13,852	$ 59.26

2024 Stock Option and Incentive Plan

Stock Option Activity

The following table presents a summary of the stock option activity:

Stock Options	Number of Shares	Weighted-Average Exercise Price
Outstanding as of December 31, 2025	3,960,489	$ 6.57
Granted	1,161,633	1.34
Forfeited/Expired	(773,144)	6.11
Outstanding as of June 30, 2026	4,348,978	$ 5.25
Exercisable as of June 30, 2026	1,636,998	$ 8.22

Restricted Stock Unit Activity

The following table presents a summary of the restricted stock unit activity:

Restricted Stock Units	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2025	2,317,315	$ 2.29
Granted	271,571	1.35
Vested	(104,624)	4.86
Forfeited	(219,109)	4.12
Outstanding as of June 30, 2026	2,265,153	$ 1.88

Compensation Expense

The following table presents the classification of stock-based compensation expense for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development expenses	$ 861	$ 1,414	$ 1,724	$ 2,694
General and administrative expenses	1,407	1,807	3,096	3,455
Total	$ 2,268	$ 3,221	$ 4,820	$ 6,149

As of June 30, 2026, there was $0.8 million of unrecognized compensation expense related to restricted stock awards that is expected to be recognized over a weighted-average period of 0.6 years, $6.4 million of unrecognized compensation expense related to stock options that is expected to be recognized over a weighted-average period of 2.6 years and $3.4 million of unrecognized compensation expense related to restricted stock units that is expected to be recognized over a weighted-average period of 1.9 years.

11. Segment Information

The Company operates and manages its business as one operating and reportable segment, which is the business of developing curative therapeutics for patients using the Company's proprietary, comprehensive metagenomics-derived genome editing toolbox. All of the Company's long-lived assets are located in the U.S. All revenue presented relate to contracts with customers located in the U.S. The chief executive officer, who is the chief operating decision maker (CODM), reviews financial information on a basis for purposes of evaluating financial performance, making operating decisions, allocating resources and planning and forecasting for future periods. The CODM assesses performance and decides how to allocate resources based on net loss. This measure is used to monitor budget versus actual results to evaluate the performance of the segment.

The following table presents the results of operations that are provided to the Company's CODM for the periods presented (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Collaboration revenue:				
Ionis	$ (257)	$ 8,202	$ 991	$ 12,176
Affini-T	—	286	—	439
Other	—	25	—	25
Total collaboration revenue	(257)	8,513	991	12,640
Operating expenses:				
Employee-related expenses	7,419	10,119	15,294	21,783
Facilities and overhead costs	6,975	7,667	13,366	15,036
Professional services and consulting	2,465	2,549	5,137	5,094
Research and development supplies and services	9,389	5,944	15,734	13,385
Stock-based compensation expense	2,268	3,221	4,820	6,149
Total operating expenses	28,516	29,500	54,351	61,447
Operating loss	(28,773)	(20,987)	(53,360)	(48,807)
Other income (expense):				
Interest and other	1,291	2,415	2,829	5,294
Change in fair value of long-term investments	—	(1,292)	—	(1,292)
Provision for income taxes	—	(44)	(10)	(142)
Net loss	$ (27,482)	$ (19,908)	$ (50,541)	$ (44,947)

12. Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders is calculated as follows (in thousands except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net loss attributable to common stockholders	$ (27,482)	$ (19,908)	$ (50,541)	$ (44,947)
Denominator:				
Weighted-average common shares outstanding	37,686,002	37,428,365	37,657,251	37,408,084
Less: Weighted-average unvested shares of common stock	(27,752)	(271,386)	(37,366)	(319,701)
Weighted-average common shares outstanding—basic and diluted	37,658,250	37,156,979	37,619,885	37,088,383
Net loss per share attributable to common stockholders—basic and diluted	$ (0.73)	$ (0.54)	$ (1.34)	$ (1.21)

The following outstanding potentially dilutive securities have been excluded from the calculation of diluted net loss per share, as their effect would have been anti-dilutive:

	Three and Six Months Ended June 30,	
	2026	2025
Options to purchase common stock	4,348,978	4,388,377
Restricted stock units	2,265,153	232,304
Restricted stock subject to future vesting	13,852	684,744
Employee stock purchase plan	136,308	—
Total	6,764,291	5,305,425

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026. As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the "Risk Factors" section under Part II, Item 1A below.

Overview

We are an in vivo genome editing company capitalizing on our proprietary technologies to create curative genetic medicines for patients. We were founded on the science of metagenomics, the study of genetic materials recovered from the natural environment, to discover and develop a suite of novel CRISPR gene-editing tools potentially capable of correcting any type of genetic mutation found anywhere in the human genome. We leverage machine learning and artificial intelligence to enhance our signature gene-editing systems. In late 2025, we made the decision to strategically reprioritize our pipeline and discovery efforts to focus our resources on driving forward our lead programs that utilize our most advanced, signature gene-editing capabilities with the highest probability of success while maintaining financial discipline to drive sustainable growth and long-term value. We increased our focus on high-value programs in disease indications with well-understood biology and clearly defined clinical development and regulatory pathways to accelerate programs with the potential to deliver therapeutic benefits of gene-editing to patients.

Wholly Owned Programs

MGX-001 – Novel, Durable, Site-Specific Genome Integration for Expression of Factor VIII (FVIII)

MGX-001 is designed to provide curative, life-long protection from bleeding events and joint damage in adults and children from a single administration, potentially enabling a new standard of care for the treatment of hemophilia A. MGX-001 is designed to insert a Factor VIII ("FVIII") gene cassette into a "safe harbor location" within an intron of the albumin gene, leveraging the strong native albumin promoter to express FVIII.

In November 2025, we announced preclinical data from a dose range finding study of MGX-001 in non-human primates ("NHPs"), where MGX-001 demonstrated curative FVIII activity with best-in-class treatment potential. The data also demonstrated clear dose dependency across both the AAV and LNP components of MGX-001, informing our clinical dose-regimen strategy. This data builds upon an earlier study, where we demonstrated durable FVIII activity over an approximately 19-month study in NHPs, with an encouraging safety profile. MGX-001 has also shown no detectable off-target editing in a series of orthogonal assays employed to discover and validate potential off-target sites.

In the fourth quarter of 2025, we completed a pre-IND meeting for the development of MGX-001. We remain on track for regulatory submission to advance a global clinical program, including an investigational new drug application ("IND") in the fourth quarter of 2026, and subject to regulatory clearance, initiate clinical trials in 2027.

MGX-001 Large Gene Integration System for Protein Replacement via Gene Insertion

Leveraging the MGX-001 site-specific genome integration system, we are pursuing disease indications which have the potential to be treated by protein replacement via gene insertion. In late 2025, we demonstrated the curative potential of the MGX-001 large gene integration system in a secreted protein disorder, antithrombin III ("AT-III") deficiency, in an in vivo study in NHPs.

Ionis Collaboration

In November 2022, we entered into a Collaboration and License Agreement with Ionis Pharmaceuticals, Inc. ("Ionis") to research, develop and commercialize investigational medicines using our genome editing technologies. We are currently in Wave 1 of our collaboration with Ionis focused on four disease targets in cardiometabolic indications. In December 2025, we announced apolipoprotein C-III ("APOC3") for the treatment of high triglycerides ("HTG") as the third collaboration target in Wave 1, and we jointly presented NHP preclinical data at the Nature Conference, "Cracking the Code: Nucleic Acid Medicines Coming of Age." Additional targets in Wave 1 include transthyretin ("TTR") for transthyretin amyloidosis, angiotensinogen ("AGT") for refractory hypertension, and one undisclosed program. All four targets in Wave 1 are in the lead optimization phase of development and are designed to achieve protein reduction via gene knockout.

ATM Program

On March 17, 2025, we entered into an Open Market Sale Agreement℠ (the "ATM Sales Agreement") with Jefferies LLC ("Jefferies"), pursuant to which we may issue and sell, from time to time and at our sole discretion, shares of our common stock, through Jefferies as the sales agent, by any method permitted by law deemed to be an "at the market" ("ATM") offering as defined in Rule 415(a)(4) promulgated under the Securities Act, having an aggregate offering price of up to $75.0 million. We will pay Jefferies a commission fee of up to 3.0% of the gross proceeds of any shares sold through Jefferies under the ATM Sales Agreement, and have also provided Jefferies with customary indemnification and contribution rights. As of June 30, 2026, no shares have been sold under the ATM Sales Agreement.

Since our inception, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, research and development activities, building our intellectual property portfolio and providing general and administrative support for these operations. We have historically financed our operations primarily through issuing redeemable convertible preferred stock and convertible promissory notes, sales of our common stock and entering into collaboration agreements.

Macroeconomic Trends

Unfavorable conditions in the economy in the United States ("U.S.") and abroad may negatively affect the growth of our business and our results of operations. For example, macroeconomic events, including, inflationary pressures, interest rate and currency rate fluctuations, increased U.S. trade tariffs, reciprocal and retaliatory tariffs from other countries, and trade disputes with other countries, new laws and regulations enacted by the Trump administration, including, but not limited to, the One Big Beautiful Bill Act (the "OBBBA"), economic slowdown or recession, banking instability, monetary policy changes, geopolitical tensions or the outbreak of hostilities or war, including from the ongoing Russia-Ukraine conflict, the current conflicts in Iran and the Middle East (including any escalation or expansion), the current conflict in Venezuela and increasing tensions between China and Taiwan, have led to economic uncertainty and volatility globally. The effect of macroeconomic conditions may not be fully reflected in our results of operations until future periods. To date, the macroeconomic trends discussed above have not had a material adverse impact on our business, financial condition or results of operations, but we continue to monitor these developments closely. If, however, economic uncertainty increases or the global economy worsens, our business, financial condition and results of operations may be harmed. For further discussion of the potential impacts of macroeconomic events on our business, financial condition, and operating results, refer to the section titled "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.

Collaboration and License Agreements

As part of our strategy, we have entered into license and collaboration agreements with third parties for one or more of our programs or product candidates we may develop. For example, in September 2025, we entered into the Acuitas License Agreement to license certain Acuitas LNP technology, including LNP patents, formulation processes, and analytical characterization methods for manufacturing products that incorporate our company's proprietary genome editing constructs formulated with Acuitas LNP technology, to research, develop, sell, and commercialize certain licensed products in connection with a single target. In November 2022, we entered into a Collaboration and License Agreement with Ionis to research, develop and commercialize investigational medicines using our genome editing technologies. Refer to Note 7, "Significant Agreements," in our condensed financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information related to the terms of the agreements between us and our collaborators.

Components of Results of Operations

Collaboration Revenue

We have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products for the foreseeable future. Our ability to generate product revenues will depend on the successful development and eventual commercialization of any product candidates that we identify. If we fail to complete the development of any future product candidates in a timely manner or to obtain regulatory approval for such product candidates, our ability to generate future revenue and our results of operations and financial position would be materially adversely affected.

To date, all of our revenue consists of collaboration revenue, earned from collaboration agreements with Ionis, Moderna, Inc. ("Moderna") (prior to the termination of the collaboration and license agreement with Moderna) and Affini-T (prior to the termination of the Affini-T Agreement). These agreements may include the following types of promised goods or services: (i) grants of licenses; (ii) performance of research and development services and (iii) participation on joint research and/or development committees. They also may include options to obtain licenses to our intellectual property or to extend the term of the research activities.

For additional information about our revenue recognition policy related to our collaboration agreements, refer to Note 2, "Summary of Significant Accounting Policies" in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2025.

Operating Expenses

Research and Development

The largest component of our total operating expenses since our inception has been research and development activities. Research and development expenses consist primarily of personnel costs for research and development employees, including stock-based compensation; research and development supplies and services; manufacturing process development costs; the research and development expenses that we share with our collaboration partners for co-development programs; other outside services and consulting costs; and allocated facilities, information technology and overhead expenses. Research and development costs are expensed as incurred.

We have not reported program costs since our inception because we have not historically tracked or recorded our research and development expenses on a program-by-program basis. We use our personnel and infrastructure resources across the breadth of our research and development activities, which are directed toward developing our platform.

We expect our research and development expenses will increase substantially as we advance our programs through their planned preclinical and clinical development.

General and Administrative

General and administrative expenses consist primarily of personnel costs, including stock-based compensation expense, and other expenses for outside professional services, including legal fees relating to intellectual property and corporate matters; professional fees for accounting, auditing, consulting and tax services; insurance costs; administrative travel expenses; website development costs; marketing and public relations costs; and facilities, information technology and other allocated overhead costs.

We anticipate that our general and administrative expenses will increase in the future to support our increased research and development activities. We also expect to continue to incur costs associated with being a public company and maintaining controls over financial reporting, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements, director and officer insurance costs, and investor and public relations costs.

Total Other Income, Net

Total other income, net, includes interest income from our investments in available-for-sale marketable securities.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations for the periods indicated (in thousands):

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2026	2025	$	2026	2025	$
Collaboration revenue	$ (257)	$ 8,513	$ (8,770)	$ 991	$ 12,640	$ (11,649)
Operating expenses:						
Research and development	22,512	22,507	5	41,812	47,649	(5,837)
General and administrative	6,004	6,993	(989)	12,539	13,798	(1,259)
Total operating expenses	28,516	29,500	(984)	54,351	61,447	(7,096)
Loss from operations	(28,773)	(20,987)	(7,786)	(53,360)	(48,807)	(4,553)
Other income (expense):						
Interest income	1,256	2,485	(1,229)	2,795	5,372	(2,577)
Change in fair value of long-term investments	—	(1,292)	1,292	—	(1,292)	1,292
Other expense, net	35	(70)	105	34	(78)	112
Total other income (expense), net	1,291	1,123	168	2,829	4,002	(1,173)
Net loss before provision for income taxes	(27,482)	(19,864)	(7,618)	(50,531)	(44,805)	(5,726)
Provision for income taxes	—	(44)	44	(10)	(142)	132
Net loss	$ (27,482)	$ (19,908)	$ (7,574)	$ (50,541)	$ (44,947)	$ (5,594)

Collaboration Revenue

Collaboration revenue included the following for the periods indicated (in thousands):

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2026	2025	$	2026	2025	$
Ionis	$ (257)	$ 8,202	$ (8,459)	$ 991	$ 12,176	$ (11,185)
Affini-T	—	286	(286)	—	439	(439)
Other	—	25	(25)	—	25	(25)
Total collaboration revenue	$ (257)	$ 8,513	$ (8,770)	$ 991	$ 12,640	$ (11,649)

Collaboration revenue decreased $8.8 million for the three months ended June 30, 2026, as compared to the corresponding prior year period, due to decreases of $8.5 million in revenue related to the Ionis Agreement, partially due to timing of work performed and a $2.6 million cumulative catch-up adjustment recorded during the three months ended June 30, 2026 due to the modification of the agreement to perform new research services for one of the Wave 1 targets, and $0.3 million in revenue related to the Affini-T Agreement.

Collaboration revenue decreased $11.6 million for the six months ended June 30, 2026, as compared to the corresponding prior year period, due to decreases of $11.2 million in revenue related to the Ionis Agreement and $0.4 million in revenue related to the Affini-T Agreement.

Research and Development Expenses

The following table summarizes our research and development expenses for the periods indicated (in thousands):

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2026	2025	$	2026	2025	$
Employee-related expenses	$ 5,786	$ 8,237	$ (2,451)	$ 11,821	$ 17,619	$ (5,798)
Facilities and overhead costs	5,699	6,185	(486)	10,949	12,364	(1,415)
Professional services and consulting	777	727	50	1,584	1,587	(3)
Research and development supplies and services	9,389	5,944	3,445	15,734	13,385	2,349
Stock-based compensation	861	1,414	(553)	1,724	2,694	(970)
Total research and development expense	$ 22,512	$ 22,507	$ 5	$ 41,812	$ 47,649	$ (5,837)

Total research and development expense for the three months ended June 30, 2026 was consistent with the corresponding prior year period, primarily due to decreases of $2.5 million in employee-related expenses, $0.6 million in stock-based compensation expense and $0.5 million in facilities and overhead costs, offset by an increase of $3.4 million in research and development supplies and services.

Total research and development expense decreased $5.8 million for the six months ended June 30, 2026, as compared to the corresponding prior year period, primarily due to decreases of $5.8 million in employee-related expenses, $1.4 million in facilities and overhead costs and $1.0 million in stock-based compensation expense, partially offset by an increase of $2.3 million in research and development supplies and services.

General and Administrative Expenses

Total general and administrative expense decreased $1.0 million for the three months ended June 30, 2026, as compared to the corresponding prior year period, primarily related to decreases of $0.4 million in stock-based compensation expense, $0.2 million in employee-related expenses, $0.2 million in facilities and overhead costs and $0.1 million in professional services and consulting costs.

Total general and administrative expense decreased $1.3 million for the six months ended June 30, 2026, as compared to the corresponding prior year period, primarily related to decreases of $0.7 million in employee-related expenses, $0.4 million in stock-based compensation expense and $0.3 million in facilities and overhead costs.

Total Other Income (Expense), Net

Total other income (expense), net increased $0.2 million for the three months ended June 30, 2026, as compared to the corresponding prior year period, primarily related to a loss from the change in fair value of our long-term investment in Affini-T in the prior year period, partially offset by a decrease of $1.2 million in interest income.

Total other income (expense), net decreased $1.2 million for the six months ended June 30, 2026, as compared to the corresponding prior year period, primarily related to a decrease of $2.6 million in interest income, partially offset by a loss from the change in fair value of our long-term investment in Affini-T in the prior year period.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have historically funded our operations primarily through sales of our redeemable convertible preferred units and convertible promissory notes, which generated approximately $351.7 million in aggregate gross proceeds, in addition to net proceeds of approximately $80.7 million received in February 2024 upon the closing of our initial public offering. Additionally, through June 30, 2026, we received approximately $120.0 million in upfront cash payments from collaboration and licensing agreements.

On March 17, 2025, we entered into the ATM Sales Agreement with Jefferies, pursuant to which we may issue and sell shares of our common stock from time to time and at our sole discretion, through Jefferies as our sales agent, by any method permitted that is deemed to be an “at the market offering” as defined in Rule 415(a)(4) promulgated under the Securities Act having an aggregate offering price of up to $75.0 million. As of June 30, 2026, we have not sold any shares under the ATM Sales Agreement.

Our revenue to date has been generated from collaboration agreements. We will not generate revenue from product sales unless and until we successfully initiate and complete clinical development and obtain regulatory approval for one or more product candidates. If we obtain regulatory approval for any product candidate and do not enter into a commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, manufacturing, marketing, and distribution. As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements with third parties. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, reduce or eliminate the development and commercialization of our platform or delay our pursuit of potential in-licenses or acquisitions.

We have incurred significant operating losses since inception and we expect to continue to incur substantial losses for the foreseeable future. Our net losses were $87.9 million and $78.1 million for the years ended December 31, 2025 and 2024, respectively, and $50.5 million and $44.9 million for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026, we had an accumulated deficit of $361.4 million.

Future Funding Requirements

We expect our short and long-term expenses to increase substantially in connection with our ongoing activities, particularly as we advance our portfolio towards candidate nomination and preclinical trials. In addition, we expect to incur additional costs associated with operating as a public company. The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of research and development, preclinical and clinical development activities;
- the number, scope and duration of clinical trials required for regulatory approval of our future product candidates;
- the costs, timing, and outcome of regulatory review of any of our future product candidates;
- the costs of manufacturing clinical and commercial supplies of our future product candidates, including internal manufacturing facilities and contracting with other vendors;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our future product candidates for which we receive regulatory approval;
- the cost of filing and prosecuting our patent applications, and maintaining and enforcing our patents and other intellectual property rights;
- the costs to acquire or in-license product candidates, intellectual property and technologies;
- our ability to maintain existing, and establish new, strategic collaborations, licensing or other arrangements, and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- any product liability or other lawsuits related to our future product candidates;
- our implementation of various computerized informational systems and efforts to enhance operational systems;
- expenses incurred to attract, hire and retain skilled personnel;
- the additional costs of legal, audit, accounting, compliance, insurance, investor relations and other expenses related to operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payers;
- the extent to which we acquire or invest in businesses, products, and technologies;
- the effect of competing technological and market developments; and
- the impact of health epidemics, pandemics and other widespread outbreaks of contagious disease, as well as other factors, including inflation, economic uncertainty and geopolitical tensions, which may exacerbate the magnitude of the factors discussed above.

As of June 30, 2026, we had $120.7 million in cash, cash equivalents and available-for-sale marketable securities. Based on our current operating plan, we estimate that our existing cash, cash equivalents and available-for-sale marketable securities will be sufficient to fund our projected operating expenses and capital expenditure requirements for at least the next 12 months from the date of issuance of this Quarterly Report on Form 10-Q. 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. See “Liquidity and Capital Resources” and “Risk Factors—Risks Related To Our Financial Position and Need for Additional Capital.” We expect that we will require additional funding to: continue our current research development activities; develop, maintain, expand and protect our intellectual property portfolio; further develop our platform; and hire additional research, clinical and scientific personnel. If we receive regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize our products.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our short and long-term cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interest for existing investors may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect existing investors' rights as a stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, reduce or eliminate 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.

Cash Flows

The following table summarizes our sources and uses of cash for the periods presented (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash used in operating activities	$ (40,688)	$ (44,093)
Net cash provided by investing activities	37,154	43,800
Net cash provided by (used in) financing activities	40	(243)
Net decrease in cash, cash equivalents and restricted cash	$ (3,494)	$ (536)

Cash Flows from Operating Activities

Net cash used in operating activities for the six months ended June 30, 2026, was $40.7 million and consisted primarily of our net loss of $50.5 million and changes in our net operating assets and liabilities of $0.3 million, partially offset by net non-cash charges of $10.1 million. The net change in operating assets and liabilities consisted primarily of a decrease of $2.9 million in operating lease liabilities, partially offset by increases of $0.9 million in accrued expenses and other current liabilities, $1.1 million in accounts payable and $0.8 million in prepaid expenses and other assets. The net non-cash charges consisted primarily of $4.8 million in stock-based compensation expense, $2.7 million in non-cash lease expense and $2.5 million of depreciation expense, partially offset by $0.6 million in accretion of discounts on available-for-sale marketable securities and $0.6 million in impairment of right of use assets.

Net cash used in operating activities for the six months ended June 30, 2025, was $44.1 million and consisted primarily of our net loss of $44.9 million and changes in our net operating assets and liabilities of $10.2 million, partially offset by net non-cash charges of $11.1 million. The net change in operating assets and liabilities consisted primarily of a decrease of $10.4 million in deferred revenue as we recognized revenue under our collaboration agreements, a decrease of $2.5 million in accrued expenses and other current liabilities, a decrease of $2.8 million in operating lease liabilities, partially offset by a decrease of $2.7 million in prepaid expenses and other current assets and an increase of $2.3 million accounts payable due to the timing of payments to our vendors. The net non-cash charges consisted primarily of $6.1 million in stock-based compensation expense, $2.7 million of depreciation expense, $2.7 million in non-cash lease expense, $1.3 million change in fair value related to our investment in Affini-T, partially offset by $1.8 million in accretion of discounts on available-for-sale marketable securities.

Cash Flows from Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2026, was $37.2 million primarily due to net maturities of available-for-sale marketable securities of $37.3 million.

Net cash provided by investing activities for the six months ended June 30, 2025, was $43.8 million primarily due to net maturities of available-for-sale marketable securities of $44.2 million.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2026, was less than $0.1 million due to proceeds from our ESPP, partially offset by payment of deferred financing costs.

Net cash used in financing activities for the six months ended June 30, 2025, was $0.2 million due to payment of deferred financing costs.

Contractual Obligations and Commitments

Our material cash requirements include our contractual obligations for our leased office and laboratory space under three lease agreements and one vivarium lease agreement. During the six months ended June 30, 2026, there were no material changes outside the ordinary course of our business to our material cash requirements described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2, "Summary of Significant Accounting Policies," to our condensed financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods.

On an ongoing basis, we evaluate our estimates and judgments, including but not limited to those related to revenue recognition under our collaboration agreements, stock-based compensation expense, the valuation of deferred tax assets, and uncertain income tax positions. These estimates and assumptions are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates and assumptions could occur in the future. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions.

During the six months ended June 30, 2026, there were no material changes to our critical accounting estimates or in the methodology used for estimates from those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our principal executive officer and our principal financial officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined by Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings arising from the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. For information regarding legal proceedings, refer to Note 8, "Commitments and Contingencies – Legal contingencies" in the accompanying "Notes to Condensed Financial Statements (unaudited)" in Item 1 and "We are currently, and may in the future be, subject to securities litigation, which is expensive and could divert management attention" in Item 1A of this Quarterly Report on Form 10-Q which information is incorporated by reference herein.

Item 1A. 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 contained in this Quarterly Report on Form 10-Q, including our condensed financial statements and related notes appearing at the end of this Quarterly Report on Form 10-Q, before deciding to invest in our common stock. If any of the events or developments described below were to occur, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline and you could lose all or part 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.

SUMMARY OF MATERIAL RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. These risks include, but are not limited to, the following:

- We have incurred significant losses since inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.
- Our operations will require substantial additional funding. If we are unable to raise additional capital when needed on acceptable terms, or at all, we may be forced to delay, reduce, or terminate certain of our research and product development programs, future commercialization efforts or other operations.
- We are very early in our development efforts, and we have not yet initiated clinical development of any product candidate. As a result, we expect it will be many years before we commercialize any product candidate, if ever. If we are unable to advance our future product candidates into and through clinical trials, obtain regulatory approval and ultimately commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.
- We are subject to additional development challenges and risks due to the novel nature of our genome editing technology.
- The genome editing field is relatively new and is evolving rapidly. We are focusing our research and development efforts on genome editing using programmable nucleases, base editing, and RNA and DNA-mediated integration systems (including prime editors and CRISPR-associated ("Cas") transposases), but other genome editing technologies may be discovered that provide significant advantages over such technologies, which could materially harm our business.
- While we intend to seek designations for our potential product candidates with the FDA and comparable foreign regulatory authorities that are intended to confer benefits such as a faster development process or an accelerated regulatory pathway, there can be no assurance that we will successfully obtain such designations. In addition, even if one or more of our potential product candidates are granted such designations, we may not be able to realize the intended benefits of such designations.
- Because we are developing product candidates in the field of genetic medicines in which there is little clinical experience, there is increased risk that the FDA, the EMA or other regulatory authorities may not consider the endpoints of our clinical trials to provide clinically meaningful results and that these results may be difficult to analyze.
- If conflicts arise between us and our collaborators or strategic partners, these parties may act in a manner adverse to us and could limit our ability to implement our strategies.
- We have entered into collaborations, and may enter into additional collaborations, with third parties for the research, development, manufacture and commercialization of programs or product candidates. If these collaborations are not successful, our business could be adversely affected.

- Our commercial success depends on our ability to obtain, maintain, enforce, and otherwise protect our intellectual property and proprietary technology, and if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors or other third parties could develop and commercialize products and product candidates similar or identical to ours and our ability to successfully develop and commercialize our genome editing systems may be adversely affected.
- It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

The summary risk factors described above should be read together with the text of the full risk factors below in this section titled "Risk Factors" in Part II, Item 1A. and the other information set forth in this Quarterly Report on Form 10-Q, as well as in other documents that we file with the U.S. Securities and Exchange Commission (SEC). The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us, or that we currently deem to be immaterial, may also materially adversely affect our business, financial condition, results of operations and future growth prospects.

Risks Related to Financial Position and Need for Capital

We have incurred significant losses since inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net losses were $87.9 million and $78.1 million for the years ended December 31, 2025 and 2024, respectively, and for the six months ended June 30, 2026 and 2025, our net losses were $50.5 million and $44.9 million, respectively. As of June 30, 2026, we had an accumulated deficit of $361.4 million. We have financed our operations primarily through issuing redeemable convertible preferred units and convertible promissory notes, entering into collaboration agreements, and through the IPO proceeds. Substantially all of our losses have resulted from expenses incurred in connection with our research and development and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if and as we:

- advance our current research activities and further develop our platform;
- continue preclinical development and initiate clinical trials for any product candidates we may identify;
- seek regulatory approval for any product candidates for which we successfully complete clinical trials;
- establish our manufacturing capabilities, including internal manufacturing facilities and contracting with other vendors;
- ultimately, commercialize our future product candidates requiring significant marketing, sales, and distribution infrastructure expenses;
- hire additional research and development, clinical, commercial, general and administration personnel;
- develop, maintain, expand, protect, and enforce our intellectual property portfolio;
- acquire or in-license product candidates, intellectual property and technologies;
- confirm, maintain or obtain freedom to operate for any of our owned or licensed technologies and product candidates;
- establish and maintain collaborations;
- add operational, financial and management information systems and personnel; or
- incur additional legal, audit, accounting, compliance, insurance, investor relations and other expenses related to operating as a public company that we did not incur as a private company.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. In March 2025, we filed a Shelf Registration Statement on Form S-3 (File No. 333-285867) with the U.S. Securities and Exchange Commission, which was declared effective on March 25, 2025, and permits us to sell from time to time up to $250.0 million of shares of our common stock and other securities in one or more offerings in amounts, at prices, and on the terms that we will determine at the time of any such offering. In addition, SEC regulations limit the amount that companies with a public float of less than $75 million may raise during any 12-month period pursuant to a shelf registration statement on Form S-3. As of the filing of this Quarterly Report on Form 10-Q, we are subject to General Instruction I.B.6 to Form S-3 (the "Baby Shelf Rule"). Under the Baby Shelf Rule, the amount of funds we can raise through primary public offerings of securities in any 12-month period using our registration statement on Form S-3, with limited exceptions, is limited to one-third of the aggregate market value of the shares of our common stock held by non-affiliates. Therefore, we will be limited in the amount of proceeds we are able to raise by selling shares of our common stock using our Form S-3.

In connection with the Shelf Registration Statement, we entered into an Open Market Sale Agreement℠ (the "ATM Sales Agreement") with Jefferies LLC ("Jefferies") on March 17, 2025, pursuant to which we may issue and sell, from time to time and at our sole discretion, shares of our common stock, through Jefferies as sales agent, by any method permitted by law deemed to be an "at the market" offering as defined in Rule 415(a)(4) promulgated under the Securities Act, having an aggregate offering price of up to $75.0 million. As of June 30, 2026, we have not sold any shares of our common stock pursuant to the ATM Sales Agreement.

Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through the sale of equity, debt financings, or other capital sources, which may include collaborations with other companies or other strategic transactions. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, reduce or eliminate the development and commercialization of our platform or delay our pursuit of potential in-licenses or acquisitions.

We have not initiated clinical development of any potential product candidate and expect that it will be many years, if ever, before we have a product candidate ready for commercialization. To become and remain profitable, we must develop and, either directly or through collaborators, eventually commercialize a therapy or therapies with market potential. This will require us to be successful in a range of challenging activities, including identifying product candidates, completing preclinical studies and clinical trials of product candidates, obtaining regulatory approval for these product candidates, manufacturing, marketing and selling those therapies for which we may obtain regulatory approval and satisfying any post-marketing requirements. We may never succeed in these activities and, even if we do, may never generate revenues that are significant or large enough to achieve profitability.

Because of the numerous risks and uncertainties associated with developing our technology and any potential product candidates, we are unable to predict the extent of any future losses or when we will become profitable, if at all. 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 decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We have never generated 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 collaborative partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, product candidates we may identify for development. We may not generate revenues from product sales for many years, if ever. Our ability to generate future revenues from product sales depends heavily on our or our collaborators' ability to successfully:

- identify product candidates and successfully complete research development of any product candidates we may identify;
- seek and obtain regulatory approvals for any product candidates for which we successfully complete clinical trials;
- launch and commercialize any product candidates for which we may obtain regulatory approval by establishing a sales force, marketing and distribution infrastructure, or alternatively, collaborating with a commercialization partner;
- qualify for adequate coverage and reimbursement by government and third-party payors for any product candidates for which we may obtain regulatory approval;
- establish and maintain supply and manufacturing relationships with third parties that can provide adequate, in both amount and quality, products and services to support clinical development and the market demand for any product candidates for which we obtain regulatory approval;
- develop, maintain and enhance a sustainable, scalable, reproducible and transferable manufacturing process for the product candidates we may develop;
- address competing technological and market developments;
- negotiate favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations in such collaborations;
- receive market acceptance by physicians, patients, healthcare payors, and others in the medical community;
- maintain, protect, enforce, defend and expand our portfolio of intellectual property and other proprietary rights, including patents, trade secrets and know-how;
- defend against third-party intellectual property claims of infringement, misappropriation or other violation; and
- attract, hire and retain qualified personnel.

Our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration (the "FDA") or other regulatory authorities to perform preclinical studies or clinical trials in addition to those that we currently anticipate. Even if one or more of the product candidates we may develop are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Additionally, such products may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives. Even if we are able to generate revenues from the sale of any approved product candidates, we may not become profitable and may need to obtain additional funding to continue operations.

Our operations will require substantial additional funding. If we are unable to raise additional capital when needed on acceptable terms, or at all, we may be forced to delay, reduce, or terminate certain of our research and product development programs, future commercialization efforts or other operations.

Developing genome editing products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. Our operations have consumed substantial amounts of cash since inception, and we expect our expenses to increase in connection with our ongoing activities, particularly as we identify, continue the research and development of, initiate and conduct clinical trials of, and seek regulatory approval for, any product candidates we may identify. In addition, if we obtain regulatory approval for any product candidates we may identify, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution to the extent that such sales, marketing, manufacturing, and distribution are not the responsibility of a collaborator. Other unanticipated costs may also arise. Furthermore, we expect to continue incurring 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 product development programs, future commercialization efforts or other operations.

As of June 30, 2026, our cash, cash equivalents and available-for-sale marketable securities were $120.7 million. We expect that our existing cash, cash equivalents, and available-for-sale marketable securities, will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months from the date of issuance of this Quarterly Report on Form 10-Q. However, our operating plan may change as a result of factors currently unknown to us, and we may need to seek funding sooner than planned. Our future capital requirements will depend on many factors, including:

- the timing and progress of research and development, preclinical and clinical development activities;
- the number, scope and duration of clinical trials required for regulatory approval of our future product candidates;
- the costs, timing, and outcome of regulatory review of any of our future product candidates;
- the costs of manufacturing clinical and commercial supplies of our future product candidates;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our future product candidates for which we receive regulatory approval;
- the costs of preparing, filing and prosecuting our patent applications, maintaining and enforcing our patents and other intellectual property rights and defending intellectual property-related claims;
- our ability to maintain existing, and establish new, strategic collaborations, licensing or other arrangements, and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- our ability to establish and maintain collaboration and license agreements on favorable terms, if at all;
- the extent to which we acquire or in-license other product candidates and technologies;
- any product liability or other lawsuits related to our future product candidates;
- our implementation of various computerized informational systems and efforts to enhance operational systems;
- expenses incurred to attract, hire and retain skilled personnel;
- the costs of operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payers;
- the extent to which we acquire or invest in businesses, products, and technologies;
- the effect of competing technological and market developments; and

- pandemics, epidemics or outbreaks of a contagious illness, economic uncertainty, tariffs and other trade disputes and geopolitical tensions, which may exacerbate the magnitude of the factors discussed above.

Identifying potential product candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive, and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain regulatory approval and achieve product sales. In addition, our future product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives.

Adequate additional financing may not be available to us on acceptable terms, or at all. As of the filing of this Quarterly Report on Form 10-Q, we are subject to the Baby Shelf Rule, which, with limited exceptions, limits the amount of funds we can raise through primary public offerings of securities in any 12-month period using our registration statement on Form S-3 to one-third of the aggregate market value of the shares of our common stock held by non-affiliates. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, and possibly other restrictions.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. We have no committed sources of additional capital and, if we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our future product candidates or other research and development initiatives. Without sufficient funding, our license agreements, such as our Non-Exclusive License Agreement with Acuitas Therapeutics, Inc., and any future collaboration agreements may also be terminated if we are unable to meet the payment or other obligations under such agreements.

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

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 commenced our operations in September 2018. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, and research and development activities such as acquiring and developing our platform and technology and identifying and beginning to advance preclinical testing of potential product candidates. All of our programs are still in the research or lead optimization stage of 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 regulatory approvals, manufacture a commercial-scale therapy, arrange for a third party to do so on our behalf or conduct sales and marketing activities necessary for successful commercialization.

Our limited operating history, particularly in light of the rapidly evolving genome editing field, may make it difficult to evaluate our technology and industry and predict our future performance. Our short history as an operating company makes any assessment of our future success or viability subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by very early stage companies in rapidly evolving fields. If we do not address these risks successfully, our business will suffer.

In addition, as a new business that is rapidly growing, we may encounter other unforeseen expenses, difficulties, complications, and delays in our product development. We will need to transition from a company with a research focus to a company capable of conducting clinical trials and ultimately supporting commercial activities if any of our future product candidates are approved. We may not be successful in such a transition.

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

Since our inception, we have incurred losses and we may never achieve profitability. As of December 31, 2025, we had U.S. federal net operating loss carryforwards of $175.3 million (which are not subject to expiration) and state net operating loss carryforwards of $213.5 million (which begin to expire in various amounts in 2037), $3.3 million of research credit carryforwards for federal income tax purposes (which begin to expire in various amounts in 2045) and $6.1 million of research credit carryforwards for state income tax purposes (which do not expire and can be carried forward indefinitely). To the extent that we continue to generate taxable losses, under current law, our unused U.S. federal net operating losses ("NOLs") may be carried forward to offset a portion of future taxable income, if any. Additionally, we continue to generate business tax credits, including research and development tax credits, which generally may be carried forward to offset a portion of future taxable income, if any, subject to expiration of such credit carryforwards. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," generally defined as one or more shareholders or groups of shareholders who own at least 5 percent of the corporation's equity increasing their equity ownership in the aggregate by more than 50 percentage points (by value) over a three-year period, the corporation's ability to use its pre-change NOLs and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. Similar rules may apply under state tax laws. We may experience ownership changes in the future, some of which are outside of our control. As a result, if we earn net taxable income, our ability to use our pre-change NOLs or other pre-change tax attributes to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Additional limitations on our ability to utilize our NOLs to offset future taxable income may arise as a result of our corporate structure whereby NOLs generated by our subsidiary may not be available to offset taxable income earned by our subsidiary. There is a risk that due to changes under the tax law, regulatory changes or other unforeseen reasons, our existing NOLs or business tax credits could expire or otherwise be unavailable to offset future income tax liabilities. At the state level, there may also be periods during which the use of NOLs or business tax credits is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs or tax credits, even if we attain profitability.

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

The rules dealing with U.S. federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect our business and our financial condition. In recent years, many such changes have been made, including the OBBBA, which was signed into law on July 4, 2025, and made significant changes to U.S. federal tax law. For example, under Section 174 of the IRC, in taxable years beginning after December 31, 2021, expenses that are incurred for research and development performed outside the U.S. will be capitalized and amortized, which may have an adverse effect on our cash flow. The OBBBA provides that for taxable years beginning after December 31, 2024, expenses that are incurred for research and development performed in the U.S. may, at the taxpayer's election, be immediately deducted or capitalized and amortized. In addition, the OBBBA provides that for taxable years beginning after December 31, 2021 and before January 1, 2025, certain eligible taxpayers generally may elect to retroactively deduct expenses for research and development performed in the U.S. in such taxable years generally may elect to accelerate and deduct the remaining unamortized amounts of such research and development expenses (i) in the first taxable year beginning after December 31, 2024, or (ii) ratably over the two-taxable year period beginning with the first taxable year beginning after December 31, 2024. In recent years, many such changes have been made and changes are likely to continue to occur in the future. For example, under Section 174 of the Code, currently, in taxable years beginning after December 31, 2021, expenses that are incurred for research and development in the U.S. are capitalized and amortized, which may have an adverse effect on our cash flow. More recently, however, there have been proposals to retroactively reinstate deductibility under Section 174 of the Code. We cannot predict whether, when, in what form or with what effective dates, tax laws, regulations and rulings may be enacted, promulgated or decided or whether they could increase our tax liability or require changes in the manner in which we operate in order to minimize increases in our tax liability.

Risks Related to Business, Technology, and Industry

We are very early in our development efforts, and we have not yet initiated clinical development of any product candidate. As a result, we expect it will be many years before we commercialize any product candidate, if ever. If we are unable to advance our future product candidates into and through clinical trials, obtain regulatory approval and ultimately commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.

We are very early in our development efforts and have focused our research and development efforts to date on research efforts including preclinical studies. Currently, all of our programs are still in the research, lead optimization, or IND-enabling stage of development. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development, regulatory approval and eventual commercialization of our future product candidates, which may never occur. We have not yet generated revenue from product sales, and we may never be able to develop or commercialize a marketable product.

Commencing clinical trials in the United States is subject to acceptance by the FDA of an IND application and finalizing the trial design based on discussions with the FDA. In the event that the FDA requires us to complete additional preclinical studies or we are required to satisfy other FDA requests prior to commencing clinical trials, the start of our first clinical trials may be delayed or we may be unsuccessful obtaining clearance to proceed into clinical development. Even after we receive and incorporate guidance from the FDA, the FDA could disagree that we have satisfied their requirements to commence any clinical trial or change their position on the acceptability of our trial design or the clinical endpoints selected, which may require us to complete additional preclinical studies or clinical trials, delay the enrollment of our clinical trials, abandon our clinical development plans or meet stricter approval conditions than we currently expect. For example, emerging data relating to our hemophilia A development candidate, MGX-001, from our NHP studies using our bioengineered B-domain deleted FVIII construct has, to date, demonstrated both high activity as well as high variability related to FVIII. While we have not received all of the data from the studies, we have commenced additional studies and may consider alternatives to this bioengineered FVIII construct. While we are planning to achieve our IND submission timelines, the need to conduct additional studies and/or consider alternatives to bioengineered FVIII, the risks described above relating to the FDA submission process, coupled with the uncertain regulatory environment in the United States, could delay our current expected IND submission timelines.

There are equivalent processes and risks applicable to clinical trial applications in other countries, including countries in the European Union. In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country. We may conduct one or more of our clinical trials with one or more trial sites that are located outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of these data is subject to conditions imposed by the FDA, and there can be no assurance that the FDA will accept data from trials conducted outside of the United States. If the FDA does not accept the data from any trial that we conduct outside the United States, it would likely result in the need for additional trials, which would be costly and time-consuming and could delay or permanently halt our development of the applicable product candidates.

Commercialization of any product candidates we may develop will require preclinical and clinical development; regulatory approval in multiple jurisdictions; manufacturing supply, capacity and expertise; a commercial organization; and significant marketing efforts. The success of product candidates we may identify and develop will depend on many factors, including the following:

- timely and successful completion of preclinical studies, including toxicology studies, biodistribution studies and minimally efficacious dose studies in animals, where applicable;
- effective INDs or comparable foreign applications that allow commencement of our planned clinical trials or future clinical trials for any product candidates we may develop;
- successful enrollment and completion of clinical trials, including under the FDA's current Good Clinical Practices ("GCPs"), current Good Laboratory Practices ("GLPs"), and any additional regulatory requirements from foreign regulatory authorities;
- positive results from our future clinical trials that support a finding of safety and effectiveness and an acceptable risk-benefit profile in the intended populations;
- receipt of regulatory approvals from applicable regulatory authorities;
- establishment of arrangements through our own facilities or with third-party manufacturers for clinical supply and, where applicable, commercial manufacturing capabilities;
- establishment, maintenance, defense and enforcement of patent, trademark, trade secret and other intellectual property protection or regulatory exclusivity for any product candidates we may develop;
- commercial launch of any product candidates we may develop, if approved, whether alone or in collaboration with others;
- acceptance of the benefits and use of our product candidates we may develop, including method of administration, if and when approved, by patients, the medical community and third-party payors;
- effective competition with other therapies;
- maintenance of a continued acceptable safety, tolerability and efficacy profile of any product candidates we may develop following approval; and
- establishment and maintenance of healthcare coverage and adequate reimbursement by payors.

If we do not succeed in one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize any product candidates we may develop, which would materially harm our business. If we are unable to advance our product candidates to clinical development, obtain regulatory approval and ultimately commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.

We are subject to additional development challenges and risks due to the novel nature of our genome editing technology.

Because our *in vivo* technology potentially involves genome editing across multiple cell and tissue types, we are subject to many of the challenges and risks that other genome editing therapeutics and gene therapies face, including:

- regulatory guidance regarding the requirements governing gene and genome editing therapy product candidates have changed and may continue to change in the future;
- to date, only a limited number of products that involve *in vivo* gene transfer have been approved globally;
- improper modulation of a gene sequence, including unintended editing events or insertion of a sequence into certain locations in a patient's chromosome, could lead to cancer, other aberrantly functioning cells or other diseases, including death;
- corrective expression of a missing protein in patients' cells could result in the protein being recognized as foreign, and lead to a sustained immunological reaction against the expressed protein or expressing cells, which could be severe or life-threatening; and
- regulatory agencies may require extended follow-up observation periods of patients who receive treatment using genome editing product candidates including, for example, the FDA's recommended 15-year follow-up observation period for these patients, and we will need to adopt such observation periods for product candidates we develop if required by the relevant regulatory agency, which could vary by country or region.

Furthermore, our technology has potential application for *ex vivo* immune cell editing strategies. Because *ex vivo* application of our technology potentially involves editing human cells and then delivering modified cells to patients, we may be subject to many of the challenges and risks that engineered cell therapies face. For example, clinical trials using engineered cell-based gene therapies may require unique products to be created for each patient and such individualistic manufacturing may be both inefficient and cost-prohibitive.

Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. Because genome editing is relatively novel and the regulatory landscape that will govern our potential product candidates is uncertain and may change, we cannot predict the time and cost of obtaining regulatory approval, if we receive it at all, for our potential product candidates.

The time required to obtain approval for any of our potential product candidates from the FDA, the European Commission ("EC") or other comparable foreign regulatory authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of regulatory authorities. For more information on the regulatory approval process, see "Business—Government Regulation" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. The U.S. Supreme Court's July 2024 decision to overturn prior established case law giving deference to regulatory agencies' interpretations of ambiguous statutory language has introduced uncertainty regarding the extent to which FDA's regulations, policies and decisions may become subject to increasing legal challenges, delays, and/or changes. Clinical trials may fail to demonstrate that our product candidates are safe for humans and effective for indicated uses. Even if initial clinical trials in any of any product candidates we may develop are successful, such product candidates may fail to show the desired safety and efficacy in later stages of clinical development despite having successfully advanced through preclinical studies and initial clinical trials. There is a high failure rate for drugs and biologics proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later stage clinical trials even after achieving promising results in earlier stage clinical trials.

Because genome editing is relatively novel, the regulatory requirements that will govern any novel genome editing product candidates we develop may continue to evolve. Only one genome editing therapy, CASGEVY, has received marketing authorization from the FDA and EC to date and, within the broader genetic therapy field, a limited number of gene therapy products have received marketing authorization from the FDA and the EC. Even with respect to more established products that fit into the categories of gene therapies or cell therapies, the regulatory landscape is still developing. Regulatory requirements governing gene therapy products and cell therapy products have changed frequently and may continue to change in the future. For example, in January 2024, the FDA published a final guidance document providing recommendations for human genome editing gene therapy products, and in September 2025, the FDA issued several new draft guidance documents on cell and gene therapy products. Further, in 2026, the FDA has issued several new draft guidance documents on cell and therapy products as well as one final guidance document concerning chemistry, manufacturing, and controls flexibilities for developing human cellular and gene therapy products for a biologics license application ("BLA"). Moreover, there is substantial, and sometimes uncoordinated, overlap in those responsible for regulation of existing gene therapy products and cell therapy products. For example, in the United States, the FDA has established the Office of Therapeutic Products ("OTP") within its Center for Biologics Evaluation and Research ("CBER") to consolidate the review of gene therapy and related products, and the Cellular, Tissue and Gene Therapies Advisory Committee to advise CBER on its review. Gene therapy clinical trials may also be subject to review and oversight by an institutional biosafety committee ("IBC"), a local institutional committee that reviews and oversees certain basic and clinical research conducted at the institution participating in the clinical trial. Although the FDA decides whether individual gene therapy protocols may proceed, the review process and determinations of other reviewing bodies, such as an IBC or institutional review board ("IRB"), can impede or delay the initiation of a clinical trial, even if the FDA has reviewed the trial and approved its initiation. For example, more recently, some genome editing companies have seen significant delays in receiving FDA authorization to allow the initiation of their clinical trials, and has suspended ongoing trials, due to the FDA's placement of clinical holds on their INDs.

The same applies in the European Union. The European Medicines Agency's ("EMA") Committee for Advanced Therapies ("CAT") is responsible for assessing the quality, safety and efficacy of advanced-therapy medicinal products (i.e. gene therapy, somatic-cell therapy or tissue-engineered medicines). The role of the CAT is to prepare a draft opinion on an application for marketing authorization for a gene therapy medicinal candidate that is submitted to the Committee for Medicinal Products for Human Use ("CHMP") before the CHMP adopts its opinion which is submitted to the EC for the final decision on whether to grant a marketing authorization or not. In the European Union, the EMA publishes guidelines for the development and evaluation of gene therapy medicinal products to assist in preparing marketing authorization applications, however these are continually under review. The EMA may issue new guidelines concerning the development and marketing authorization for gene therapy medicinal products and require that we comply with these new guidelines.

Adverse developments in post-marketing experience or in clinical trials conducted by others of gene therapy products, cell therapy products or products developed through the application of genome editing technology may cause the FDA, the EMA and other regulatory bodies to revise the requirements for development or approval of our potential product candidates or limit the use of products utilizing genome editing technologies, either of which could materially harm our business. In addition, the clinical trial requirements of the FDA, the EMA and other 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 regulatory approval process for novel product candidates can be more expensive and take longer than for other, better known or more extensively studied pharmaceutical or other product candidates. Regulatory agencies administering existing or future regulations or legislation may not allow production and marketing of products utilizing genome editing technology in a timely manner or under technically or commercially feasible conditions. In addition, regulatory action or private litigation could result in expenses, delays or other impediments to our research programs or the commercialization of resulting products.

The regulatory review committees and advisory groups described above and any new guidelines they promulgate may lengthen the regulatory review process, require us to perform additional studies or trials, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of these treatment candidates or lead to significant post-approval limitations or restrictions. As we advance our research programs and develop future product candidates, we will be required to consult with these regulatory and advisory groups and to comply with applicable guidelines. If we fail to do so, we may be required to delay or discontinue development of any product candidates we identify and develop.

The genome editing field is relatively new and is evolving rapidly. We are focusing our research and development efforts on genome editing using programmable nucleases, base editing, and RNA and DNA-mediated integration systems (including prime editors and CRISPR-associated ("Cas") transposases), but other genome editing technologies may be discovered that provide significant advantages over such technologies, which could materially harm our business.

To date, we have focused our efforts on genome editing technologies using programmable nucleases, base editing, and RNA and DNA-mediated integration systems (including prime editors and Cas transposases backed by our metagenomics database). Other companies have previously undertaken research and development of genome editing technologies using zinc finger nucleases, engineered meganucleases and transcription activator-like effector nucleases, but to date none have obtained regulatory approval for a product candidate. There can be no certainty that genome editing technology will lead to the development of genetic medicines or that other genome editing technologies will not be considered better or more attractive for the development of medicines. A number of alternative approaches are being developed by others. Our investments may not be consistent with the expectations of our stockholders and may not produce the benefits that we expect, in which case our growth, business, financial condition, and results of operations could be adversely affected. See "Risk Factors—Risks Related to Business, Technology and Industry—We face significant competition in an environment of rapid technological change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more advanced or effective than ours, which may harm our financial condition and our ability to successfully market or commercialize any product candidates we may develop." Similarly, another new genome editing technology that has not been discovered yet may be more attractive than programmable nucleases, base editing, and RNA and DNA-mediated integration systems.

Moreover, if we decide to develop genome editing technologies other than those involving such technologies, we cannot be certain we will be able to obtain rights to such technologies. Any of these factors could reduce or eliminate our commercial opportunity, and could have a material adverse effect on our business, financial condition, results of operations and prospects.

If any of the product candidates we may develop or the delivery modes we rely on cause undesirable side effects, it could delay or prevent their development or potential regulatory approval, limit the commercial potential or result in significant negative consequences following any potential regulatory approval.

To date, we have not evaluated any product candidates in human clinical trials. It is impossible to predict when or if any product candidates we may develop will ultimately prove safe in humans. In the genomic medicine field, there have been several significant adverse events from gene therapy treatments in the past, including reported cases of leukemia and death. Product candidates we may develop may be associated with undesirable side effects, unexpected characteristics or other serious adverse events, including off-target cuts of DNA, or the introduction of cuts in DNA at locations other than the target sequence. These off-target cuts could lead to disruption of a gene or a genetic regulatory sequence at an unintended site in the DNA, or, in those instances where we also provide a segment of DNA to serve as a repair template, it is possible that following off-target cut events, DNA from such repair template could be integrated into the genome at an unintended site, potentially disrupting another important gene or genomic element. There is also the potential risk of delayed adverse events following exposure to genome editing therapy due to persistent biologic activity of the genetic material or other components of products used to carry the genetic material. Possible adverse side effects that could occur with treatment with genome editing products include an immunologic reaction after administration which could substantially limit the effectiveness of the treatment. If any of our genome editing technologies demonstrate a similar effect, we may decide or be required to halt or delay preclinical development or clinical development of any product candidates we may develop. In addition to serious adverse events or side effects caused by any product candidate we may develop, the administration process or related procedures also can cause undesirable side effects. If any such events occur, our preclinical studies or clinical trials could be delayed, suspended or terminated. There can be no assurance that our genome editing technologies will not cause severe or undesirable side effects.

If in the future we are unable to demonstrate that such adverse events were caused by factors other than our product candidate, the FDA, the EMA or other comparable foreign regulatory authorities could order us to cease further clinical studies of, or deny approval of, any product candidates we develop for any or all targeted indications. Even if we are able to demonstrate that all future serious adverse events are not product-related, such occurrences could affect patient recruitment or the ability of enrolled patients to complete the trial.

Moreover, if we elect, or are required, to delay, suspend or terminate any clinical trial of any product candidate we may develop, the commercial prospects of such product candidates may be harmed and our ability to generate product revenues from any of these product candidates may be delayed or eliminated. Any of these occurrences may harm our ability to identify and develop product candidates, and may harm our business, financial condition, result of operations and prospects significantly.

Viral vectors, including the adeno-associated virus ("AAV"), which are relatively new approaches used for disease treatment, also have known side effects, and for which additional risks could develop in the future. In past clinical trials that were conducted by others with non-AAV vectors, significant side effects were caused by gene therapy treatments, including reported cases of myelodysplasia, leukemia and death. Other potential side effects could include an immunologic reaction and insertional oncogenesis, which is the process whereby the insertion of a functional gene near a gene that is important in cell growth or division results in uncontrolled cell division, which could potentially enhance the risk of cancer. If the vectors we use demonstrate a similar side effect, or other adverse events, we may be required to halt or delay further clinical development of any potential product candidates. Such delayed adverse events may also occur in other viral vectors, including AAV vectors.

In addition to side effects and adverse events caused by our product candidates, the conditioning, administration process or related procedures which may be used to condition a patient for gene therapy treatment also can cause adverse side effects and adverse events. A gene therapy patient is generally administered cytotoxic drugs to remove stem cells from the bone marrow to create sufficient space in the bone marrow for the modified stem cells to engraft and produce new cells. This procedure compromises the patient's immune system, and conditioning regimens have been associated with adverse events in clinical trial participants.

Additionally, if we successfully develop a product candidate and it receives regulatory approval, the FDA could require us to adopt a Risk Evaluation and Mitigation Strategy ("REMS") to ensure that the benefits of treatment with such product candidate outweighs the risks for each potential patient, which may include, among other things, a medication guide outlining the risks of the product for distribution to patients, a communication plan to healthcare practitioners, extensive patient monitoring, or distribution systems and processes that are highly controlled, restrictive, and more costly than what is typical for the industry. Furthermore, if we or others later identify undesirable side effects caused by any product candidate that we may develop that receives regulatory approval, several potentially significant negative consequences could result, including:

- regulatory authorities may revoke licenses or suspend, vary or withdraw approvals of such product candidate;
- regulatory authorities may require additional warnings on the label;
- we may be required to change the way a product candidate is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our genome editing technology and any product candidates we may identify and develop and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Positive results from early preclinical studies of any product candidates we may develop may not necessarily be predictive of the results of later preclinical studies and any future clinical trials of such product candidates. If we cannot replicate the positive results from our earlier preclinical studies of any product candidates we may develop in our later preclinical studies and future clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize such product candidates.

Any positive results from our preclinical studies of any product candidates we may develop may not necessarily be predictive of the results from later preclinical studies and clinical trials of such product candidates. Similarly, even if we are able to complete our planned preclinical studies or any future clinical trials of any product candidates we may develop according to our current development timeline, the positive results from such preclinical studies and clinical trials of our product candidates may not be replicated in subsequent preclinical studies or clinical trial results.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain regulatory approval.

We may also consider additional delivery modes, which may carry additional known and unknown risks.

We may also consider additional delivery modes, which may carry additional known and unknown risks. For example, we intend to use lipid nanoparticles ("LNPs") to deliver our nucleases. While LNPs have been used to deliver smaller molecules, such as small interfering RNA ("siRNA"), they have not been clinically proven to deliver large RNA molecules. Furthermore, as with many AAV-mediated gene therapy approaches, certain patients' immune systems might prohibit the successful delivery, thereby potentially limiting treatment outcomes of these patients. Even if initial clinical trials in any of our potential product candidates we may develop are successful, these product candidates we may develop may fail to show the desired safety and efficacy in later stages of clinical development despite having successfully advanced through preclinical studies and initial clinical trials.

We may find it difficult to enroll patients in our future clinical trials given the limited number of patients who have the diseases any product candidates we identify or develop are intended to target. If we experience delays or difficulties in the enrollment of patients in clinical trials, our clinical development activities and our receipt of necessary regulatory approvals could be delayed or prevented.

As we progress our programs, we may not be able to initiate or continue clinical trials for any product candidates we identify or develop if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA, the EMA or other comparable regulatory authorities outside the United States, or as needed to provide appropriate statistical power for a given trial. Enrollment may be particularly challenging for some of the rare genetically defined diseases we are targeting in some of our discovery programs. In addition, if patients are unwilling to participate in our genome editing trials because of negative publicity from adverse events related to the biotechnology, gene therapy or genome editing fields, competitive clinical trials for similar patient populations, clinical trials in competing product candidates or for other reasons, the timeline for recruiting patients, conducting studies and obtaining regulatory approval of our potential product candidates may be delayed. Moreover, some of our competitors may have ongoing clinical trials for product candidates that would treat the same indications as our potential product candidates, and patients who would otherwise be eligible for our future clinical trials may instead enroll in clinical trials of our competitors' product candidates.

Patient enrollment is also affected by other factors, some of which may include:

- severity of the disease under investigation;
- size of the patient population and process for identifying patients, including proximity and availability of clinical trial sites for prospective patients with conditions that have small patient pools;
- design of the trial protocol, including efforts to facilitate timely enrollment in clinical trials;
- availability and efficacy of approved medications for the disease under investigation;
- availability of genetic testing for potential patients and ability to monitor patients adequately during and after treatment;
- ability to obtain and maintain patient informed consent;
- risk that enrolled patients will drop out before completion of the trial;
- eligibility and exclusion criteria for the trial in question;
- perceived risks and benefits of the product candidate under trial and genome editing as a therapeutic approach; and
- patient referral practices of physicians.

In addition, our ability to successfully initiate, enroll and complete a clinical trial in any foreign country is subject to numerous risks unique to conducting business in foreign countries, some of which may include:

- difficulty in establishing or managing relationships with clinical research organizations ("CROs") and physicians;
- different standards for the conduct of clinical trials;
- different standard-of-care for patients with a particular disease;
- difficulty in locating qualified local consultants, physicians and partners; and
- potential burden of complying with a variety of foreign laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology products and treatment and of genome editing technologies.

Enrollment delays in our future clinical trials may result in increased development costs for our potential product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing. If we or our collaborators have difficulty enrolling a sufficient number of patients to conduct our future clinical trials as planned, we may need to delay, limit or terminate ongoing or planned clinical trials or entire clinical programs, any of which would have an adverse effect on our business, financial condition, results of operations and prospects.

Genetic therapies are novel, and any product candidates we develop may be complex and difficult to manufacture. We could experience delays in satisfying regulatory authorities or production problems that result in delays in our development programs, limit the supply of the product candidates we may develop or otherwise harm our business.

Any product candidates we may develop will likely require processing steps that are more complex than those required for most chemical pharmaceuticals. Moreover, unlike chemical pharmaceuticals, the physical and chemical properties of a biologic such as the product candidates we intend to develop generally cannot be fully characterized. As a result, assays of the finished product candidate may not be sufficient to ensure that the product candidate will perform in the intended manner. Problems with the manufacturing process, even minor deviations from the normal process, could result in product defects or manufacturing failures that result in lot failures, product recalls, product liability claims, insufficient inventory or potentially delay progression of our potential IND filings. If we successfully develop product candidates, we may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet the FDA, the EMA or other comparable applicable foreign standards or specifications with consistent and acceptable production yields and costs. For example, the current approach of manufacturing AAV vectors may fall short of supplying required number of doses needed for advanced stages of preclinical studies or clinical trials, and the FDA may ask us to demonstrate that we have the appropriate manufacturing processes in place to support the higher-dose group in our preclinical studies or clinical trials. In addition, any product candidates we may develop will require complicated delivery methods, each of which will introduce additional complexities in the manufacturing process.

In addition, the FDA, the EMA and other regulatory authorities may require us to submit samples of any lot of any approved product together with the protocols showing the results of applicable tests at any time. Under some circumstances, the FDA, the EMA or other regulatory authorities may require that we not distribute a lot until the agency authorizes its release. Slight deviations in the manufacturing process, including those affecting quality attributes and stability, may result in unacceptable changes in the product that could result in lot failures or product recalls. Lot failures or product recalls could cause us to delay clinical trials or product launches, which could be costly to us and otherwise harm our business, financial condition, results of operations and prospects.

Given the nature of biologics manufacturing there is a risk of contamination during manufacturing. Any contamination could materially harm our ability to produce product candidates on schedule and could harm our results of operations and cause reputational damage. Some of the raw materials that we anticipate will be required in our manufacturing process are derived from biologic sources. Such raw materials are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in the manufacture of any product candidates we may develop could adversely impact or disrupt the commercial manufacturing or the production of clinical material, which could materially harm our development timelines and our business, financial condition, results of operations and prospects.

Any problems in our manufacturing process or the facilities with which we contract could make us a less attractive collaborator for potential partners, including larger pharmaceutical companies and academic research institutions, which could limit our access to additional attractive development programs. Problems in third-party manufacturing process or facilities also could restrict our ability to ensure sufficient clinical material for any clinical trials we may be conducting or are planning to conduct and meet market demand for any product candidates we develop and commercialize.

We face significant competition in an environment of rapid technological change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more advanced or effective than ours, which may harm our financial condition and our ability to successfully market or commercialize any product candidates we may develop.

The development and commercialization of new drug products is highly competitive. Moreover, the genome editing field is characterized by rapidly changing technologies, significant competition and a strong emphasis on intellectual property. We will face competition with respect to any product candidates that we may seek to develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent or other intellectual property protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we have research programs. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, while others are based on entirely different approaches.

Amongst publicly traded peers, there are several companies utilizing CRISPR/Cas technology, including Caribou Biosciences, Inc., Editas Medicine, Inc., CRISPR Therapeutics AG and Intellia Therapeutics, Inc. Several additional companies such as Sangamo Therapeutics, Inc., Precision BioSciences, Inc., and Cellectis Inc. utilize alternative nuclease-based genome editing technologies, including zinc finger nucleases ("ZFNs"), engineered meganucleases and transcription-activator like effector nucleases ("TALENs"). Beam Therapeutics and Verve Therapeutics, Inc. (acquired by Eli Lilly and Company) utilize base editing technology. Prime Medicine utilizes prime editing technology.

In addition, Tessera Therapeutics, Inc. has announced their work in recombinase DNA and RNA gene writers, although, as a privately-held company, less is known publicly about their science or portfolio. Other companies such as nChroma Bio and Tune Therapeutics, Inc. are focused on epigenetic editing. In addition, we face competition from companies utilizing gene therapy, oligonucleotides and cell therapy therapeutic approaches.

Several private companies such as Arbor Biotechnologies, Inc., Scribe Therapeutics Inc., and Mammoth Biosciences, Inc. are actively searching for novel genome editing components and have reported the discovery of new DNA-cutting enzymes. Other companies are active in LNP delivery technologies and advancing those into therapeutics using genetic therapies, including Recode Therapeutics, Inc., Verve Therapeutics, Inc. (acquired by Eli Lilly and Company), Generation Bio Co. and Beam Therapeutics, among others.

Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future that are approved to treat the same diseases for which we may obtain approval for any product candidates we may develop. This may include other types of therapies, such as small molecule, antibody and/or protein therapies. For example, valoctocogene roxaparvovec, the first hemophilia A gene therapy, was conditionally approved for use in Europe in August 2022 and was approved in the United States in June 2023.

Many of our current or potential competitors, either alone or with their collaboration partners, may have significantly greater financial resources and expertise in research and development, manufacturing, conducting preclinical studies and clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and gene therapy industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also 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 acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize product candidates that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any product candidates that we may develop or that would render any product candidates that we may develop obsolete or non-competitive. Our competitors also may obtain FDA or other regulatory approval for their product candidates 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. Additionally, technologies developed by our competitors may render our potential product candidates uneconomical or obsolete, and we may not be successful in marketing any product candidates we may develop against competitors.

In addition, as a result of the expiration or successful challenge of our patent or other intellectual property rights, we could face risks relating to our ability to successfully prevent or delay launch of competitors' products. The availability of our competitors' products could limit the demand and the price we are able to charge for any product candidates that we may develop and commercialize.

Adverse public perception of genome editing and cellular therapy products may negatively impact demand for, or regulatory approval of, any product candidates we may develop.

The product candidates we may develop will involve editing the human genome. The clinical and commercial success of any product candidates we may develop will depend in part on public acceptance of the use of genome editing therapies for the prevention or treatment of human diseases. Public attitudes may be influenced by claims that genome editing is unsafe, unethical, or immoral, and, consequently, our products may not gain the acceptance of the public or the medical community. Negative public reaction to gene therapy in general could result in greater government regulation and stricter labeling requirements of genome editing products, including any of our product candidates, and could cause a decrease in the demand for any products we may develop. Adverse public attitudes may adversely impact our ability to enroll clinical trials. Additionally, ethical, social and legal concerns about genome editing and gene therapy could result in additional regulations restricting or prohibiting any product candidates we may develop.

The commercial success of any of the product candidates we may develop will depend upon the degree of market acceptance by physicians, patients, third-party payors and others in the medical community.

Even if we obtain the requisite approvals from the FDA in the United States, the EC in the European Union and other regulatory authorities internationally, the commercial success of any product candidates we may develop will depend, in part, on the acceptance of physicians, patients and health care payors of genome editing and gene therapy products in general, and our product candidates in particular, as medically necessary, cost-effective and safe. Any product that we commercialize may not gain acceptance by physicians, patients, health care payors and others in the medical community who may opt for existing treatments with which they are already familiar and for which greater clinical data may be available. The degree of market acceptance of genome editing and gene therapy products and, in particular, any product candidates we may develop, if approved for commercial sale, will depend on several factors, including:

- the efficacy, durability and safety of such product candidates as demonstrated in any future clinical trials;
- the potential and perceived advantages of such product candidates over alternative treatments;
- the cost of treatment relative to alternative treatments;
- the clinical indications for which the product candidate is approved by the FDA, the EC or other regulatory authorities;
- patient awareness of, and willingness to seek, genotyping;
- the willingness of physicians to prescribe new therapies;
- the willingness of the target patient population to try new therapies;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of the FDA, the EMA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- relative convenience and ease of administration;
- the strength of marketing and distribution support;
- the timing of market introduction of competitive products;
- publicity concerning our products or competing products and treatments; and
- sufficient third-party payor coverage and reimbursement.

Even if a potential product displays a favorable efficacy and safety profile in preclinical studies and future clinical trials, market acceptance of the product will not be fully known until after it is launched. If any product candidates we may develop do not achieve an adequate level of acceptance following regulatory approval, if ever, we may not generate significant product revenue and may not become profitable.

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 have limited financial and managerial resources. 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 timely capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market products based on our technologies, we may not be successful in commercializing our future product candidates if and when any such product candidates are approved and we may not be able to generate any revenue.

We do not currently have a sales or marketing infrastructure and, as a company, have no experience in the sale, marketing or distribution of therapeutic products. To achieve commercial success for any potential approved product candidate for which we retain sales and marketing responsibilities, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. In the future, we may choose to build a focused sales and marketing infrastructure to sell, or participate in sales activities with our collaborators for, some of our product candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

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

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future product that we may develop;
- the lack of complementary treatments 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.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenue or the profitability to us from these revenue streams is likely to be lower than if we were to market and sell any product candidates that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties and any of them may fail to devote the necessary resources and attention to sell and market our product candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we may not be successful in commercializing our product candidates. Further, our business, results of operations, financial condition and prospects will be materially adversely affected.

Due to the novel nature of our technology and the potential for any product candidates we may develop to offer therapeutic benefit in a single administration or limited number of administrations, we face uncertainty related to pricing and reimbursement for such product candidates.

Our initial target patient populations are relatively small, as a result of which the pricing and reimbursement of any product candidates we may develop, if approved, must be adequate to support the necessary commercial infrastructure. If we are unable to obtain adequate levels of reimbursement, our ability to successfully market and sell any such product candidates will be adversely affected. The manner and level at which reimbursement is provided for services related to any product candidates we may develop (e.g., for administration of our product candidate to patients) is also important. Inadequate reimbursement for such services may lead to physician and payor resistance and adversely affect our ability to market or sell our product candidates. In addition, we may need to develop new reimbursement models in order to realize adequate value. Payors may not be able or willing to adopt such new models, and patients may be unable to afford that portion of the cost that such models may require them to bear. If we determine such new models are necessary but we are unsuccessful in developing them, or if such models are not adopted by payors, our business, financial condition, results of operations, and prospects could be adversely affected.

We expect the cost of a single administration of a genome editing therapy, such as those we are seeking to develop, to be substantial, when and if they achieve regulatory approval. We expect that coverage and reimbursement by government and private payors will be essential for most patients to be able to afford these treatments. Accordingly, sales of any such product candidates will depend substantially, both domestically and abroad, on the extent to which the costs of any of our product candidates will be paid by government authorities, private health plans, and other third-party payors. Payors may not be willing to pay high prices for a single administration. Coverage and reimbursement by a third-party payor may depend upon several factors, including the third-party payor’s determination that use of a product is:

- a covered benefit under its health plan;

- safe, effective, and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement for a product from third-party payors is a time-consuming and costly process that could require us to provide to the payor supporting scientific, clinical, and cost-effectiveness data. There is significant uncertainty related to third-party coverage and reimbursement of newly approved products. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. If coverage and reimbursement are not available, or are available only at limited levels, we may not be able to successfully commercialize any of our product candidates. Even if coverage is provided, the approved reimbursement amount may not be adequate to realize a sufficient return on our investment.

In the United States, no uniform policy exists for coverage and reimbursement for products among third-party payors. Therefore, decisions regarding the extent of coverage and amount of reimbursement to be provided can differ significantly from payor to payor. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the reimbursement rate a payor will pay for the product. One third-party payor's decision to cover a particular product or service does not ensure that other payors will also provide coverage for the medical product or service. Third-party payors may limit coverage to specific products on an approved list or formulary, which may not include all FDA-approved products for a particular indication.

Further, 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. In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of any product candidates we may develop, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Despite our best efforts, any product candidates we may develop may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover an approved product as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, our operations and financial condition. Finally, in some foreign countries, the proposed pricing for a product candidate must be approved before it may be lawfully marketed. The requirements governing product pricing vary widely from country to country. For example, in the EU, pricing and reimbursement of pharmaceutical products are regulated at a national level under the individual EU Member States' social security systems. Some foreign countries provide options to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and can control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A country may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Even if approved for reimbursement, historically, product candidates launched in some foreign countries, such as some countries in the EU, do not follow price structures of the United States and prices generally tend to be significantly lower.

If we are not able to establish collaborations on a timely basis, on commercially reasonable terms, or at all, we may have to alter, reduce or delay our development and commercialization plans, or increase our expenditures to fund development or commercialization activities at our own expense.

For some of the product candidates we may develop, we may decide to collaborate with other pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates. We face significant competition in seeking appropriate collaborations and collaborations are complex and time-consuming to negotiate and document. Whether we 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 design or results of clinical trials, the likelihood of approval by the FDA, the EMA or similar regulatory authorities outside the United States, the potential market for the subject 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, 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.

We may also be restricted under existing collaboration agreements from entering into future collaboration agreements on certain terms with potential collaborators. 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, which further increases competition we face in seeking potential collaborations.

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 the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to develop product candidates or bring them to market and generate product revenue.

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

Our results of operations could be adversely affected by general conditions in the global economy, geopolitical tensions and in the global financial markets. A severe or prolonged economic downturn or additional global financial and political crises could result in a variety of risks to our business, including weakened demand for any product candidates we develop or our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers or other third parties and create import and export issues, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

The future geopolitical landscape also remains particularly uncertain as a result of evolving U.S. and foreign political developments. Any resulting changes in international trade relations, legislation and regulations, including those related to trade tariffs, taxation, and importation, or economic and monetary policies, or heightened diplomatic tensions or political and civil unrest, among other potential impacts, could adversely impact the global economy and our operating results.

We face risks related to health epidemics, pandemics and other widespread outbreaks of contagious disease, which could significantly disrupt our operations, impact our financial results or otherwise adversely impact our business.

Significant outbreaks of contagious diseases and other adverse public health developments could have a material impact on our business operations and operating results. As a result of public health crises that may arise, we may experience disruptions that could adversely impact our operations, research and development, and as we continue developing, any preclinical studies, clinical trials and manufacturing activities we may conduct, some of which may include:

- delays or disruptions in research programs, preclinical studies, clinical trials or IND-enabling studies that we or our collaborators may conduct;
- interruption or delays in the operations of the FDA, the EMA and comparable foreign regulatory agencies;
- interruption of, or delays in receiving and distributing, supplies of drug substance and drug product from our contract manufacturing organizations ("CMOs"), to preclinical or clinical research sites or delays or disruptions in any preclinical studies or clinical trials performed by CROs;
- limitations imposed on our business operations by local, state or federal authorities to address a pandemic or similar public health crises; and
- business disruptions caused by potential workplace, laboratory and office closures and an increased reliance on employees working from home, disruptions to or delays in ongoing laboratory experiments and operations, staffing shortages, travel limitations, and cybersecurity and data accessibility or security issues.

If we or any of the third parties with whom we engage were to experience additional shutdowns or other business disruptions as a result of future health epidemics, pandemics and other widespread outbreaks of contagious disease, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on our business, financial condition, our results of operations and prospects. Furthermore, public health crises could exacerbate the other risks described in this section.

Our operations are vulnerable to interruption by disasters, terrorist activity, pandemics and other events beyond our control, which could harm our business.

Our facilities are located in California. We have not undertaken a systematic analysis of the potential consequences to our business and financial results from a major flood, power loss, terrorist activity, pandemics or other regional or global disasters and generally do not have a recovery plan for such events. In addition, we do not carry sufficient insurance to compensate us for actual losses from interruption of our business that may occur, and any losses or damages incurred by us could harm our business. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

We use artificial intelligence in our business, and challenges with properly managing its use, as well as uncertainty regarding the legal landscape surrounding the use of AI could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

We incorporate artificial intelligence ("AI") solutions into our platform, and these applications may become important in our operations over time. There are significant risks involved in utilizing AI and no assurance can be provided that the usage of such AI will enhance our business or assist our business in being more efficient or profitable. If we enable or offer solutions that draw controversy due to perceived or actual negative societal impact, we may experience brand or reputational harm, competitive harm or legal liability. Known risks of AI currently include inaccuracy, bias, toxicity, intellectual property infringement or misappropriation, data privacy risks and cybersecurity and data provenance challenged, among other risks. In addition, AI may have errors or inadequacies that are not easily detectable. AI may also be subject to data herding and interconnectedness (i.e., multiple market participants utilizing the same data), which may adversely impact our business. If the data used to train AI or the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, incomplete, overbroad or biased, our business, financial condition, and results of operations may be adversely affected. The legal landscape and subsequent legal protection for the use of AI remains uncertain, and development of the law in this area could impact our ability to enforce our proprietary rights or protect against infringing uses. If we do not have sufficient rights to use the data on which AI relies or to the outputs produced by AI applications, we may incur liability through the violation of certain laws, third-party privacy or other rights or contracts to which we are a party.

Additionally, we expect to see increasing government and supranational regulation related to artificial intelligence use and ethics, which may also significantly increase the burden and cost of research, development and compliance in this area. For example, the EU's Artificial Intelligence Act ("AI Act") — the world's first comprehensive AI law — which entered into force on August 1, 2024 and most provisions of which will become effective on August 2, 2026. This legislation imposes significant obligations on providers and deployers of high risk artificial intelligence systems, and encourages providers and deployers of artificial intelligence systems to account for EU ethical principles in their development and use of these systems. If we develop or use AI systems that are governed by the AI Act, it may necessitate ensuring higher standards of data quality, transparency, and human oversight, as well as adhering to specific and potentially burdensome and costly ethical, accountability, and administrative requirements. Likewise, in the U.S., a number of states have proposed and passed laws regulating various uses of AI, and federal regulators have issued guidance affecting the use of AI in regulated sectors. For example, the FDA has issued draft guidance on the use of AI to produce information or data intended to support regulatory decision-making regarding the safety, effectiveness, or quality of drugs and biological products.

Even in the absence of dedicated AI laws and regulations, we may be subject to novel legal and business risks relating to our adoption of these new technologies. Our vendors may in turn incorporate AI tools into their own offerings, and the providers of these AI tools may not meet existing or rapidly evolving regulatory or industry standards, including with respect to privacy and data security. Bad actors around the world use increasingly sophisticated methods, including the use of AI, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Use of generative AI models in our internal or third-party systems may create new attack surfaces or methods for adversaries, which could impact us and our vendors. The integration of AI systems, by us or by our vendors, may increase cybersecurity risk that implicates the personal information of customers or patients. Any cybersecurity incidents or data breaches related to our use of AI applications could adversely affect our reputation and results of operations.

Risks Related to Regulatory, Legal, and Clinical Trials

While we intend to seek designations for our potential product candidates with the FDA and comparable foreign regulatory authorities that are intended to confer benefits such as a faster development process or an accelerated regulatory pathway, there can be no assurance that we will successfully obtain such designations. In addition, even if one or more of our potential product candidates are granted such designations, we may not be able to realize the intended benefits of such designations.

The FDA and comparable foreign regulatory authorities offer certain designations for product candidates that are designed to encourage the research and development of product candidates that are intended to address conditions with significant unmet medical need. These designations may confer benefits such as additional interaction with regulatory authorities, a potentially accelerated regulatory pathway and priority review.

However, there can be no assurance that we will successfully obtain such designations for any potential product candidates. In addition, while such designations could expedite the development or approval process, they generally do not change the standards for approval. Even if we obtain such designations for one or more of our potential product candidates, there can be no assurance that we will realize their intended benefits. For example, we may seek fast track designation for some of our potential product candidates. If a therapy is intended for the treatment of a serious or life threatening condition and the therapy nonclinical or clinical data demonstrates the potential to address unmet medical needs for this condition, the therapy sponsor may apply for fast track designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, there can be no assurance that the FDA would decide to grant it. Even if we do receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures, and receiving a fast track designation does not provide assurance of ultimate FDA approval. In addition, the FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program. Additionally, we may seek a breakthrough therapy designation for some of our potential product candidates. A breakthrough therapy is defined as a therapy that is intended, alone or in combination with one or more other therapies, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the therapy may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For therapies that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Therapies designated as breakthrough therapies by the FDA may also be eligible for accelerated approval. Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our potential product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a breakthrough therapy designation for a product candidate may not result in a faster development process, review or approval compared to therapies considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our potential product candidates qualify as breakthrough therapies, the FDA may later decide that such product candidates no longer meet the conditions for qualification. In addition, we may seek a regenerative medicine advanced therapy ("RMAT") designation for some of our potential product candidates. An RMAT is defined as cell therapies, therapeutic tissue engineering products, human cell and tissue products and combination products using any such therapies or products. Gene therapies, including genetically modified cells that lead to a durable modification of cells or tissues may meet the definition of a regenerative medicine therapy. The RMAT program is intended to facilitate efficient development and expedite review of RMATs, which are intended to treat, modify, reverse or cure a serious or life-threatening disease or condition. A new drug application or a biologics license application for an RMAT may be eligible for priority review or accelerated approval through (1) surrogate or intermediate endpoints reasonably likely to predict long-term clinical benefit or (2) reliance upon data obtained from a meaningful number of sites. Benefits of such designation also include early interactions with the FDA to discuss any potential surrogate or intermediate endpoint to be used to support accelerated approval. A regenerative medicine therapy that is granted accelerated approval and is subject to post-approval requirements may fulfill such requirements through the submission of clinical evidence, clinical trials, patient registries or other sources of real world evidence, such as electronic health records; the collection of larger confirmatory data sets; or post-approval monitoring of all patients treated with such therapy prior to its approval. RMAT designation is within the discretion of the FDA. Accordingly, even if we believe one of our potential product candidates meets the criteria for designation as a regenerative medicine advanced therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of RMAT designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our potential product candidates qualify as for RMAT designation, the FDA may later decide that the biological products no longer meet the conditions for qualification. We may also seek rare pediatric disease designation for some of our potential product candidates. The FDA defines "rare pediatric disease" as a (i) serious or life-threatening disease in which the serious or life-threatening manifestations primarily affect individuals aged from birth to 18 years, including age groups often called neonates, infants, children, and adolescents; and (ii) a rare disease or condition within the meaning of the Orphan Drug Act. Designation of a product candidate as a product for a rare pediatric disease does not guarantee that a marketing application for such product candidate will meet the eligibility criteria for a rare pediatric disease priority review voucher ("PRV") at the time the application is approved. Under the Federal Food, Drug, and Cosmetic Act ("FD&C Act"), we will need to

request a rare pediatric disease PRV in our original marketing application for any potential product candidates for which we have received rare pediatric disease designation. The FDA may determine that a marketing application for any such product candidates, if approved, does not meet the eligibility criteria for a PRV. The FDA is currently authorized by Congress to award rare pediatric disease priority review vouchers through September 30, 2029. However, it is possible the authority for FDA to award rare pediatric disease priority review vouchers will be further extended by Congress.

In the future, we may also seek approval of product candidates under the FDA's accelerated approval pathway. A product may be eligible for accelerated approval if it is designed to treat a serious or life-threatening disease or condition and generally provides a meaningful advantage over available therapies upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality ("IMM") that is reasonably likely to predict an effect on IMM or other clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as IMM. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verity and describe the drug's clinical benefit. Under the Food and Drug Omnibus Reform Act of 2022 ("FDORA"), the FDA is permitted to require, as appropriate, that a post-approval confirmatory study or studies be underway prior to approval or within a specified time period after the date of approval for a product granted accelerated approval.

FDORA also requires sponsors to send updates to the FDA every 180 days on the status of such studies, including progress toward enrollment targets, and the FDA must promptly post this information publicly. FDORA also gives the FDA increased authority to withdraw approval of a drug or biologic granted accelerated approval on an expedited basis if the sponsor fails to conduct such studies in a timely manner, send the necessary updates to the FDA, or if such post-approval studies fail to verify the drug's predicted clinical benefit. Under FDORA, the FDA is empowered to take action, such as issuing fines, against companies that fail to conduct with due diligence any post-approval confirmatory study or submit timely reports to the agency on their progress. There can be no assurance that the FDA would allow any of the product candidates we may develop to proceed on an accelerated approval pathway, and even if the FDA did allow such pathway, there can be no assurance that such submission or application will be accepted or that any expedited development, review or approval will be granted on a timely basis, or at all. Moreover, even if we received accelerated approval, any post-approval studies required to confirm and verify clinical benefit may not show such benefit, which could lead to withdrawal of any approvals we have obtained. Receiving accelerated approval does not assure that the product's accelerated approval will eventually be converted to a traditional approval.

If the FDA determines that a product candidate offers a treatment for a serious condition and, if approved, the product would provide a significant improvement in safety or effectiveness, the FDA may designate the product candidate for priority review. A priority review designation means that the goal for the FDA to review an application is six months, rather than the standard review period of ten months. We may request priority review for the product candidates that we may develop. The FDA has broad discretion with respect to whether or not to grant priority review status to a product candidate, so even if we believe a particular product candidate is eligible for such designation or status, the FDA may decide not to grant it. Moreover, a priority review designation does not necessarily result in an expedited regulatory review or approval process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures. Receiving priority review from the FDA does not guarantee approval within the six-month review cycle or at all.

In addition, in the European Union, we may seek to participate in the EMA's PRIority MEdicines ("PRIME") scheme for our potential product candidates. The PRIME scheme is intended to encourage development of products in areas of unmet medical need and provides accelerated assessment of products representing substantial innovation, where the marketing authorization application will be made through the centralized procedure in the European Union. Products from small- and medium-sized enterprises may qualify for earlier entry into the PRIME scheme than larger companies on the basis of compelling non-clinical data and tolerability data from initial clinical trials. Eligible products must target conditions for which there is an unmet medical need (no treatment option exists in the European Union or, they can offer a major therapeutic advantage over existing treatments). Many benefits accrue to sponsors of product candidates with PRIME designation, including but not limited to, early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial designs and other development program elements, and accelerated marketing authorization application assessment once a dossier has been submitted. There is no guarantee, however, that our potential product candidates would be deemed eligible for the PRIME scheme and even if we do participate in the PRIME scheme, where during the course of development a product no longer meets the eligibility criteria, support under the PRIME scheme may be withdrawn. PRIME eligibility does not change the standards for product approval, and there is no assurance that any such designation or eligibility will result in expedited review or approval.

Healthcare and other reform legislation may increase the difficulty and cost for us and any collaborators we may have to obtain regulatory approval of and commercialize any product candidates we may develop and affect the prices we, or they, may obtain.

In the United States and some foreign jurisdictions, there have been and continue to be ongoing efforts to implement legislative and regulatory changes regarding the healthcare system. Such changes could prevent or delay regulatory approval of any product candidates that we may develop, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain regulatory approval. Although we cannot predict what healthcare or other reform efforts will be successful, such efforts may result in more rigorous coverage criteria, in additional downward pressure on the price that we, or our future collaborators, may receive for any approved products or in other consequences that may adversely affect our ability to achieve or maintain profitability.

Within the United States, the federal government and individual states have aggressively pursued healthcare reform, as evidenced by the passing of the Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA"), and the ongoing efforts to modify or repeal that legislation. The ACA significantly changed the way healthcare is financed by both governmental and private insurers and contains a number of provisions that affect coverage and reimbursement of drug products and/or that could potentially reduce the demand for pharmaceutical products such as increasing drug rebates under state Medicaid programs for brand name prescription drugs and extending those rebates to Medicaid managed care and assessing a fee on manufacturers and importers of brand name prescription drugs reimbursed under certain government programs, including Medicare and Medicaid. Other aspects of healthcare reform, such as expanded government enforcement authority and heightened standards that could increase compliance-related costs, could also affect our business. Modifications have been implemented under the former Trump administration and additional modifications or repeal may occur.

There have also been executive, judicial, and congressional challenges to certain aspects of the ACA. It is unclear how other healthcare reform measures of the presidential administration or other efforts, if any, to challenge, repeal or replace the ACA will impact our business. There is no assurance that federal or state healthcare reform will not adversely affect our future business and financial results, and we cannot predict how future federal or state legislative, judicial or administrative changes relating to healthcare reform will affect our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, the American Rescue Plan Act of 2021 eliminated the statutory Medicaid drug rebate cap, previously set at 100 percent of a drug's average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. The U.S. Budget Control Act of 2011 and subsequent legislation, among other things, included aggregate reductions of Medicare payments to providers of 2% per fiscal year, which remain in effect through 2032. The American Taxpayer Relief Act of 2012 further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices, which has resulted in several U.S. Congressional inquiries and federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs, and review the relationship between pricing and manufacturer patient programs. The Inflation Reduction Act of 2022 (the "IRA"), for example, includes several provisions that may impact our business to varying degrees, including provisions that reduce the out-of-pocket spending cap for Medicare Part D beneficiaries to $2,000 starting in 2025, eliminating the prescription drug coverage gap; impose new manufacturer financial liability on certain drugs under Medicare Part D, allow the U.S. government to negotiate Medicare Part B and Part D price caps for certain high-cost drugs and biologics without generic or biosimilar competition; require companies to pay rebates to Medicare for certain drug prices that increase faster than inflation; and delay until January 1, 2032 the implementation of an HHS rebate rule that would have limited the fees that pharmacy benefit managers can charge. Further, under the IRA, orphan drugs were previously exempted from the Medicare drug price negotiation program; however, this exemption was restricted to drugs with only one orphan designation and for which the only approved indication is for that disease or condition. If a product received multiple orphan designations or had multiple approved indications, it would not qualify for the orphan drug exemption. Under the OBBBA, this restriction was modified; and effective for the 2028 initial price applicability year, all orphan drugs, regardless of the number of orphan designations or rare disease indications, are exempt from the Medicare drug price negotiation program. The effects of the IRA on our business and the healthcare industry in general is not yet known.

In addition, the OBBBA imposed significant reductions in Medicaid funding, additional work requirements for Medicaid recipients, and more frequent reenrollment requirements. These changes are expected to place substantial pressure on state Medicaid budgets, reduce enrollment, and limit covered services, which could decrease utilization of, and reimbursement for, our products, if approved.

The costs of prescription pharmaceuticals have also been the subject of considerable discussion in the United States. To date, there have been several recent U.S. congressional inquiries, as well as proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. The Trump Administration has issued executive orders and supported proposed regulatory initiatives in 2025 that could have a significant impact on the prices that we, or any collaborators, may receive for any approved products.

On May 12, 2025, President Trump signed an executive order directing the Secretary of HHS to set and communicate most-favored-nation ("MFN") price targets to manufacturers and propose a rulemaking plan to impose MFN pricing if "significant progress" is not made, and also directing the federal government to support regulatory paths to allow direct-to-patient sales for companies that meet these targets. The executive order further states that the Administration will take additional action (for example, examining whether marketing approvals should be modified or rescinded or considering individual drug importation waiver authorities) should manufacturers fail to offer American consumers the MFN lowest price. In July 2025, President Trump sent letters to certain pharmaceutical companies demanding that these companies extend MFN pricing to Medicaid and newly launched drugs as well as move to direct-to-consumer models priced at MFN pricing, and soliciting binding commitments by September 29, 2025. Since this time, multiple drug manufacturers have announced plans to, for certain of their drugs, lower prices to reflect similar pricing around the world, and to sell these reduced-price drugs on a direct-to-consumer purchasing platform developed by the federal government; however, it is not known what results will occur to the extent the recipients of these letters do not reduce their U.S. prices.

On December 19, 2025, CMS released two proposed rules that would incorporate MFN pricing principles into federal reimbursement for prescription drugs. The first proposal, the Global Benchmark for Efficient Drug Pricing Model ("GLOBE") for Medicare Part B, would require manufacturers of specified single source drugs and sole source biologics to pay incremental rebates based on international benchmark prices, with participation triggered for products meeting CMS's spending and eligibility criteria. The second proposal, the Guarding U.S. Medicare Against Rising Drug Costs ("GUARD") model for Medicare Part D, would similarly mandate manufacturer rebates for qualifying sole source drugs where the Medicare net price exceeds an MFN benchmark derived from international reference pricing methodologies. As proposed, GLOBE would begin a five year performance period on October 1, 2026 and GUARD would begin its performance period in 2027. These proposals will likely be subject to legal challenges that could delay their implementation or modify their impact on manufacturer pricing and revenue. Additionally, in November 2025, CMS introduced the GENErating cost Reductions fOr U.S. Medicaid ("GENEROUS") Model, a voluntary MFN framework for manufacturers participating in the Medicaid Drug Rebate Program. Although it is voluntary, the GENEROUS Model could also impact the drug pricing landscape for manufacturers.

The effect of these healthcare reform initiatives on our business and the pharmaceutical industry in general is not yet known, but could be substantial and materially adverse to our ability to successfully commercialize our product candidates at profitable price points.

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

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

Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors, which may adversely affect our future profitability.

Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain drug access and marketing cost disclosure and transparency measures, and designed to encourage importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, financial condition, results of operations and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our drugs or put pressure on our drug pricing, which could negatively affect our business, financial condition, results of operations and prospects.

Because we are developing product candidates in the field of genetic medicines in which there is little clinical experience, there is increased risk that the FDA, the EMA or other regulatory authorities may not consider the endpoints of our clinical trials to provide clinically meaningful results and that these results may be difficult to analyze.

In order to proceed into clinical development of any product candidates we identify, we will need to submit INDs or clinical trial applications to regulatory authorities and obtain regulatory clearance to commence clinical development. Because the product candidates we identify are based on novel gene-editing technology, we may be unsuccessful in obtaining clearance from regulatory authorities to proceed into clinical development. In order to commence clinical development, we will need to identify success criteria and endpoints such that the FDA, the EMA or other regulatory authorities will be able to determine the clinical efficacy and safety profile of any product candidates we may develop. As we are initially seeking to identify and develop product candidates to treat diseases in which there is little clinical experience using new technologies, and while we may have opportunities to discuss our clinical development plans with regulatory authorities prior to commencing clinical development, there is heightened risk that the FDA, the EMA or other regulatory authorities may not consider the clinical trial endpoints that we propose to provide clinically meaningful results (reflecting a tangible benefit to patients). In addition, the resulting clinical data and results may be difficult to analyze. Even if the FDA does find our success criteria to be sufficiently validated and clinically meaningful, we may not achieve the pre-specified endpoints to a degree of statistical significance. This may be a particularly significant risk for many of the genetically defined diseases for which we plan to develop product candidates because many of these diseases such as Primary Hyperoxaluria Type 1 have small patient populations, and designing and executing a rigorous clinical trial with appropriate statistical power is more difficult than with diseases that have larger patient populations.

Furthermore, even if we do achieve the pre-specified criteria, we may produce results that are unpredictable or inconsistent with the results of the non-primary endpoints or other relevant data. The FDA also weighs the benefits of a product against its risks, and the FDA may view the efficacy results in the context of safety as not being supportive of regulatory approval. Other regulatory authorities in the European Union and other countries may make similar comments with respect to these endpoints and data. Any product candidates we may develop will be based on a novel technology that makes it difficult to predict the time and cost of development and of subsequently obtaining regulatory approval. No genome editing therapeutic product has been approved in the United States or in Europe. Within the broader genome product field, only a limited number of gene therapy products, such as uniQure N.V.'s Glybera and Abecma from Bristol Myers Squibb and bluebird bio, have received marketing authorization or regulatory approval from the European Commission or the FDA. Some of these products have taken years to register and have had to deal with significant issues in their post-marketing experience.

If preclinical studies or clinical trials of any product candidates we may identify and develop fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of such product candidates.

Before obtaining regulatory approval from regulatory authorities for the sale of any product candidates we may identify and develop, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete, and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results.

Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses. Many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain regulatory approval of their product candidates.

We and our collaborators, if any, may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval or commercialize any product candidates we may identify and develop, including:

- delays in reaching a consensus with regulators on trial design;
- regulators, IRBs, or independent ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- delays in reaching or failing to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective CROs and clinical trial sites;
- clinical trials of any product candidates we may develop may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development or research programs;
- difficulty in designing well-controlled clinical trials due to ethical considerations which may render it inappropriate to conduct a trial with a control arm that can be effectively compared to a treatment arm;
- difficulty in designing clinical trials and selecting endpoints for diseases that have not been well-studied and for which the natural history and course of the disease is poorly understood;
- the number of patients required for clinical trials of any product candidates we may develop may be larger than we anticipate; enrollment of suitable participants in these clinical trials, which may be particularly challenging for some of the rare genetically defined diseases we are targeting in our most advanced programs, may be delayed or slower than we anticipate; or patients may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators, IRBs, or independent ethics committees may require that we or our investigators suspend or terminate clinical research or clinical trials of any product candidates we may develop for various reasons, including noncompliance with regulatory requirements, a finding of undesirable side effects or other unexpected characteristics, or that the participants are being exposed to unacceptable health risks or after an inspection of our clinical trial operations or trial sites;
- the cost of clinical trials of any product candidates we may develop may be greater than we anticipate;
- the supply or quality of any product candidates we may develop or other materials necessary to conduct preclinical studies or clinical trials of any product candidates we may develop may be insufficient or inadequate, including as a result of delays in the testing, validation, manufacturing, and delivery of any product candidates we may develop to the preclinical study sites or clinical sites by us or by third parties with whom we have contracted to perform certain of those functions;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- clinical trial sites dropping out of a trial;
- selection of clinical endpoints that require prolonged periods of clinical observation or analysis of the resulting data;
- occurrence of serious adverse events associated with any product candidates we may develop that are viewed to outweigh their potential benefits;
- occurrence of serious adverse events in trials of the same class of agents conducted by other sponsors; and
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols.

If we or our collaborators are required to conduct additional clinical trials or other testing of any product candidates we may develop beyond those that we currently contemplate, if we or our collaborators are unable to successfully complete clinical trials or other testing of any product candidates we may develop, or if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we or our collaborators may:

- be delayed in obtaining regulatory approval for any such product candidates we may develop or not obtain regulatory approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to changes in the way the product is administered;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- have regulatory authorities withdraw, or suspend, their approval of the product or impose restrictions on its distribution in the form of a REMS, or through modification to an existing REMS;
- be sued; or
- experience damage to our reputation.

Product development costs will also increase if we or our collaborators experience delays in clinical trials or other testing or in obtaining regulatory approvals. We do not know whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize any product candidates we may develop, could allow our competitors to bring products to market before we do, and could impair our ability to successfully commercialize any product candidates we may develop, any of which may harm our business, financial condition, results of operations, and prospects.

Even if we complete the necessary clinical trials, we cannot predict when, or if, we will obtain regulatory approval to commercialize a product candidate we may develop in the United States or any other jurisdiction, and any such approval may be for a more narrow indication than we seek.

We cannot commercialize a product candidate until the appropriate regulatory authorities have reviewed and approved the product candidate. Even if our product candidates meet their safety and efficacy endpoints in clinical trials, the regulatory authorities may not complete their review processes in a timely manner, or we may not be able to obtain regulatory approval. Additional delays may result if an FDA advisory committee or other regulatory authority recommends non-approval or restrictions on approval. In addition, we may experience delays or rejections based upon additional government regulation from future legislation or administrative action, or changes in regulatory authority policy during the period of product development, clinical trials, and the review process.

Regulatory authorities also may approve a product candidate for more limited indications than requested or they may impose significant limitations in the form of narrow indications, warnings or a REMS. These regulatory authorities may require labeling that includes precautions or contraindications with respect to conditions of use, or may grant approval subject to the performance of costly post-marketing clinical trials. In addition, regulatory authorities may not approve the labeling claims that are necessary or desirable for the successful commercialization of our product candidates. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates and materially adversely affect our business, financial condition, results of operations, and prospects.

Regulatory approval by the FDA in the United States, if obtained, does not ensure approval by regulatory authorities in other countries or jurisdictions. In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country. Approval processes vary among countries and can involve additional product candidate testing and validation and additional administrative review periods. Seeking regulatory approval outside the United States could result in difficulties and costs for us and require additional preclinical studies or clinical trials which could be costly and time-consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our product candidates in those countries. The foreign regulatory approval process involves all of the risks associated with FDA approval. We do not have any product candidates approved for sale in any jurisdiction, including international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of our product candidates will be unrealized.

Even if we, or any of our collaborators or strategic partners, obtain regulatory approvals for any product candidates we may develop, the terms of approvals and ongoing regulation of such product candidates could require the substantial expenditure of resources and may limit how we, or they, manufacture and market such product candidates, which could materially impair our ability to generate revenue.

Any product candidate for which we obtain regulatory approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA, the EMA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, facility registration and drug listing requirements, cGMP relating to quality control, quality assurance and corresponding maintenance of records and documents, applicable product tracking and tracing requirements and requirements regarding the distribution of samples to physicians and recordkeeping. In addition, our manufacturing and testing facilities will be required to undergo pre-license inspections and pre-approval inspections. Even if regulatory approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the products may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the products.

Accordingly, assuming we, or any collaborators we may have, receive regulatory approval for one or more product candidates we develop, we, and such collaborators, and our and their contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we and such collaborators are not able to comply with post-approval regulatory requirements, we and such collaborators could have the regulatory approvals for our products withdrawn by regulatory authorities and our, or such collaborators', ability to market any future products could be limited, which could adversely affect our ability to achieve or sustain profitability. Furthermore, the cost of compliance with post-approval regulations may have a negative effect on our business, operating results, financial condition and prospects.

We may not be able to obtain orphan drug designation or exclusivity for our potential product candidates, and even if we do, that designation may not provide an expedited development or regulatory review or approval process and any orphan drug exclusivity we may receive for approved products may not prevent the FDA or the EMA from approving other competing products.

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

In order for the FDA to grant orphan drug exclusivity to one of our potential product candidates, the agency must find that the product candidate is indicated for the treatment of a condition or disease that affects fewer than 200,000 individuals in the United States or that affects 200,000 or more individuals in the United States and for which there is no reasonable expectation that the cost of developing and making the product candidate available for the disease or condition will be recovered from sales of the product in the United States. In the European Union, a medicinal product may be designated as orphan if (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either (a) such condition affects no more than five in 10,000 persons in the European Union when the application is made, or (b) it is unlikely that the product, without the benefits derived from orphan status, would generate sufficient return in the European Union to justify the necessary investment in its development; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the European Union, or if such a method exists, the product will be of significant benefit to those affected by the condition. The FDA or EMA may conclude that the condition or disease for which we seek orphan drug exclusivity does not meet this standard. Even if we obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product candidate from competition because different product candidates can be approved for the same approved use or condition. In addition, even after an orphan drug is approved, the FDA or EMA can subsequently approve the same product candidate for the same approved use or condition if the FDA or EMA (as applicable) concludes that the later product candidate is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care compared with the product that has orphan exclusivity. Orphan drug exclusivity may also be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of the patients with the rare disease or condition.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors, and other collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third parties to sell our products outside the United States, to conduct clinical trials, and/or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors, and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

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

We and any contract manufacturers and suppliers we engage are subject to numerous federal, state, and local environmental, health, and safety laws, regulations, and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment, and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air, and water; and employee health and safety. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. 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. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research and product development efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. 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 carry pollution insurance to protect against possible biological or hazardous waste accidents. However, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, we may incur substantial costs in order to comply with current or future environmental, health, and safety laws, regulations, and permitting requirements. These current or future laws, regulations, and permitting requirements may impair our research, development, or production efforts. Failure to comply with these laws, regulations, and permitting requirements also may result in substantial fines, penalties, or other sanctions or business disruption, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Any third-party contract manufacturers and suppliers we engage will also be subject to these and other environmental, health, and safety laws and regulations. Liabilities they incur pursuant to these laws and regulations could result in significant costs or an interruption in operations, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

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

We are exposed to the risk of fraud or other misconduct by our employees, consultants and commercial partners, and, if we commence clinical trials, our principal investigators. Misconduct by these parties could include intentional failures to comply with FDA regulations or the regulations applicable in the European Union and other jurisdictions, provide accurate information to the FDA, the EMA and other regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct also could involve the improper use of information obtained in the course of clinical trials or interactions with the FDA, the EMA or other regulatory authorities, which could result in regulatory sanctions and cause serious harm to our reputation. We are also exposed to risks in connection with any insider trading violations by employees or others affiliated with us.

We have adopted a code of conduct and an insider trading policy applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any product candidates that we may develop.

We will face an inherent risk of product liability exposure related to the testing of any product candidates we may develop in human clinical trials and will face an even greater risk if we commercially sell such product candidates. If we cannot successfully defend ourselves against claims that our product candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

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

We anticipate that we will need to increase our insurance coverage when we begin clinical trials and if we successfully commercialize any product candidate. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

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

Our internal computer and information technology systems and those of our current and any future third-party vendors, collaborators, contractors, consultants or other third parties, are vulnerable to damage or interruption from, among other things, malicious uses of AI, computer viruses, computer hackers, social engineering attacks (including phishing attacks), ransomware, malware, social engineering, service interruptions, system malfunction, malicious code, employee theft, fraud, misconduct or misuse, denial-of-service attacks, sophisticated nation-state and nation-state-supported actors, wrongful conduct by insider employees or vendors, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we seek to protect our information technology systems from system failure, accident and cybersecurity incidents or data breaches, we and our third-party vendors, like other companies in our industry, have in the past and may in the future experience cybersecurity incidents which could result in a disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary, personal or confidential information or other disruptions. For example, the loss of clinical trial data from future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

Controls employed by our information technology department and other third parties could prove inadequate, and our ability to monitor such third parties' data security practices is limited. Due to applicable laws, rules, regulations and standards or contractual obligations, we may be held responsible for any information security failure or cybersecurity attack attributed to our third-party vendors as they relate to the information we share with them.

If we were to experience a cybersecurity incident, data breach, or other security event relating to our information systems or data, the costs, time and effort associated with the investigation, remediation and potential notification of the breach to counterparties, regulators and data subjects could be material. We may incur significant costs in an effort to detect and prevent security incidents or data breaches, and we may face increased costs and requirements to expend substantial resources in the event of an actual or perceived security incident or data breach. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently, become more complex over time and generally are not recognized until launched against a target. The risk of a cybersecurity incident, data breach, or other security event, particularly through cyberattacks including supply chain 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. These attacks and activity are also being facilitated or enhanced by evolving technologies, including AI. As a result, we and our third-party vendors may be unable to anticipate these techniques or implement adequate preventative measures quickly enough to prevent either an electronic intrusion into our systems or services or a compromise of critical information. We cannot guarantee that we will be able to detect or prevent any such incidents, and our remediation efforts may not be successful or timely. Our efforts to improve security and protect data from compromise may also identify previously undiscovered instances of data breaches or other cybersecurity incidents. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology and cybersecurity infrastructure, we could suffer significant business disruption, including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss or the loss of or damage to intellectual property or other proprietary, personal or confidential information.

To the extent that any cybersecurity incident, data breach, or other security event were to result in a loss of, or damage to, our or our third-party vendors', collaborators', contractors', consultants' or other third parties' data, including personal information, or applications or inappropriate disclosure, loss, destruction or alteration of, or access to, confidential, personal or proprietary information, we would be required to notify affected stakeholders and could incur significant liability including litigation exposure, substantial penalties and fines, we could become the subject of regulatory action, inquiry or investigation, our competitive position could be harmed, we could incur significant reputational damage and the further development and commercialization of any product candidates we may develop could be delayed. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy and data security obligations. Cyber liability insurance may not provide adequate coverage against potential liabilities related to any experienced cybersecurity incident or breach. Any of the above could have a material adverse effect on our business, financial condition, results of operations or prospects.

Laws and regulations governing any international operations we may have in the future may preclude us from developing, manufacturing and selling certain product candidates we may identify outside of the United States and require us to develop and implement costly compliance programs.

We are subject to numerous laws and regulations in each jurisdiction outside the United States in which we operate. The creation, implementation and maintenance of international business practices compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required.

The FCPA prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the Department of Justice. The SEC is involved with enforcement of the books and records provisions of the FCPA.

Similarly, the U.K. Bribery Act 2010 has extra-territorial effect for companies and individuals having a connection with the United Kingdom. The U.K. Bribery Act prohibits inducements both to public officials and private individuals and organizations. Compliance with the FCPA and the U.K. Bribery Act is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. Our expansion outside of the United States has required, and will continue to require, us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing or selling certain drugs and drug candidates outside of the United States, which could limit our growth potential and increase our development costs. The failure to comply with laws governing international business practices may result in substantial penalties, including suspension or debarment from government contracting. Violation of the FCPA can result in significant civil and criminal penalties. Indictment alone under the FCPA can lead to suspension of the right to do business with the U.S. government until the pending claims are resolved. Conviction of a violation of the FCPA can result in long-term disqualification as a government contractor. The termination of a government contract or relationship as a result of our failure to satisfy any of our obligations under laws governing international business practices would have a negative impact on our operations and harm our reputation and ability to procure government contracts. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

We are subject to stringent and often unsettled laws, rules, regulations, policies, standards and contractual obligations related to data privacy and security and changes in such laws, rules, regulations, policies, standards and contractual obligations could adversely affect our business.

We are subject to data privacy and protection laws, rules, regulations, policies, standards and contractual obligations that apply to the collection, transmission, storage, use, disclosure, transfer, maintenance and other processing of sensitive, personal and personally-identifying information, which, among other things, impose certain requirements relating to the privacy, security, transmission and other processing of personal information, including comprehensive regulatory systems in the United States and European Union. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. However, our data privacy program is in its early stages and we have not yet assessed the applicability of and our compliance with data privacy-related laws, rules and regulations. As a result, we cannot guarantee that we are and have been in compliance with all applicable data privacy and protection laws, rules regulations, policies and standards, and we may need to expend significant resources to implement privacy compliance measures. Additionally, we rely on certain third-party vendors to process certain confidential, sensitive or personal information on our behalf. Failure by us or our third-party vendors to comply with any of these laws, rules, regulations, contractual obligations or standards could result in notification obligations, enforcement actions, regulatory investigations or inquiries, significant fines, imprisonment of company officials and public censure, litigation and claims for damages by affected individuals, customers or business partners, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

There are numerous U.S. federal and state laws, rules and regulations related to the collection, use, disclosure and security of personal information.

Additionally, laws in all 50 states require businesses to provide notice to customers whose personally identifiable information has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We also may be contractually required to notify patients or other counterparties of a cybersecurity incident or data breach. Although we may have contractual protections with our service providers, any actual or perceived cybersecurity incident or data breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived cybersecurity incident or data breach. Any contractual protections we may have from our service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. Determining whether personal information has been handled in compliance with applicable privacy standards and our contractual obligations can be complex and may be subject to changing interpretation.

Data privacy remains an evolving landscape at both the domestic and international level, with new laws, rules and regulations coming into effect and continued legal challenges. At the federal level, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), establish privacy and security standards that limit the use and disclosure of individually identifiable health information, or protected health information, and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. The Genetic Information Nondiscrimination Act of 2008 ("GINA"), which clarified that genetic information is protected under HIPAA and restricts the use and disclosure of genetic information. In addition, certain state laws govern privacy and security of personal information. Further, failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act (the FTCA), 15 U.S.C § 45(a). The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business and the cost of available tools to improve security and reduce vulnerabilities. Further, through executive and legislative action, the federal government has also taken steps to restrict data transactions involving certain sensitive data categories – including health data, genetic data, and biospecimens – with persons affiliated with China, Russia, and other countries of concern.

Certain state laws also govern the privacy and security of personal information. For example, California enacted the California Consumer Privacy Act of 2018 ("CCPA"), which went into effect on January 1, 2020 and, among other things, required companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, allowed consumers to opt out of certain data sharing with third parties and provided a new cause of action for data breaches. Additionally, California voters approved the California Privacy Rights Act ("CPRA"), which went into effect on January 1, 2023. The CPRA significantly modified the CCPA, including by introducing additional obligations such as data minimization and storage limitations and granting additional rights to California residents such as correction of personal information and additional opt-out rights. The CPRA also created a new state agency that has been vested with authority to implement and enforce the CCPA and the CPRA.

The enactment of the CCPA has prompted a wave of similar legislative developments in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. For example, similar laws have been passed in numerous other states. Other states have proposed similar laws, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies. 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. The existence of comprehensive privacy laws in different states in the country would make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance.

There are also states that are specifically regulating health information. For example, Washington's My Health My Data Act, which became effective on March 31, 2024, regulates the collection and sharing of health information and has a private right of action, which further increases the relevant compliance risk. Connecticut and Nevada have also passed similar laws regulating consumer health data. In addition, other states have proposed and/or passed legislation that regulates the privacy and/or security of certain specific types of information. For example, a small number of states have passed laws that regulate biometric data specifically. These various privacy and security laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products. State laws are changing rapidly and there is discussion in the U.S. Congress of a new comprehensive federal data privacy law to which we may likely become subject, if enacted.

In addition, our operations may be subject to European data privacy laws, regulations and guidelines. The collection, use, storage, disclosure, transfer, or other processing of personal information regarding individuals in the EEA and UK, including personal health data, is subject to the EU General Data Protection Regulation, or EU GDPR, with respect to the EEA and the UK General Data Protection Regulation and UK Data Protection Act 2018 with respect to the UK, or UK GDPR, and collectively with the EU GDPR referred to as the "GDPR" in this document unless specified otherwise. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal information, including requirements relating to processing of special categories of personal information (such as health data), relying on a legal basis or condition for processing personal information, where required obtaining consent of the individuals to whom the personal information relates, providing information to individuals regarding data processing activities, conducting privacy impact assessments for "high risk" processing, implementing safeguards to protect the security and confidentiality of personal information, implementing limitations on the retention of personal information, providing mandatory notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal information to countries outside the EEA and UK to non-adequate territories, including the United States in certain circumstances unless derogation exists or a valid GDPR transfer mechanism (for example, the European Commission approved Standard Contractual Clauses, or SCCs, and the UK International Data Transfer Agreement/Addendum, or UK IDTA) have been put in place. Where relying on the SCCs /UK IDTA for data transfers, we may also be required to carry out transfer impact assessments to assess whether the recipient is subject to local laws which allow public authority access to personal information. Failure to comply with the GDPR, and any supplemental EEA Member State or UK national data protection laws which may apply by virtue of the location of the individuals whose personal information we collect, may result in substantial penalties, including potential fines of up to €20 million (£17.5 million for the UK GDPR) or 4% of annual global revenues for the preceding financial year, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. The GDPR increases our responsibility and liability in relation to personal information that we process where such processing is subject to the GDPR, and requires us to put in place additional mechanisms to ensure compliance with the GDPR, including as implemented by individual countries. Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities.

Although the EU GDPR and the UK GDPR currently impose substantially similar obligations, it is possible that over time the UK GDPR could become less aligned with the EU GDPR. The UK Government has introduced a Data Protection and Digital Information Bill to reform the UK data protection legal framework which failed in the UK legislative process. A new Data (Use and Access) Bill ("UK Bill") has been introduced into parliament. If passed, the final version of the UK Bill may have the effect of further altering the similarities between the UK and EEA data protection regime and threaten the UK Adequacy Decision from the European Commission, or EC. Further, this may lead to additional compliance costs and could increase our overall risk In addition, EEA Member States have adopted national laws which may partially deviate from the EU GDPR, and the competent authorities in the EEA Member States may interpret EU GDPR obligations slightly differently from country to country, such that we do not expect to operate in a uniform legal landscape in the EEA. Also, as it relates to processing and transfer of genetic data, the GDPR specifically allows national laws to impose additional and more specific requirements or restrictions, and European laws have historically differed quite substantially in this field, leading to additional uncertainty. This possible divergence in the future creates additional regulatory challenges and uncertainties for us. The lack of clarity on future UK laws and regulations and their interaction with EU laws and regulations could add legal risk, uncertainty, complexity and compliance cost to the handling of European personal information and our privacy and data security compliance.

Our efforts to comply with the evolving data protection laws, rules and regulations may be unsuccessful. It is possible that these laws, rules and regulations may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. The laws are not consistent, and compliance in the event of a widespread cybersecurity incident or data breach is costly and time-consuming. States are also frequently amending existing laws, requiring attention to frequently changing regulatory requirements. We must devote significant resources to understanding and complying with this changing landscape. All of these evolving compliance and operational requirements impose significant costs, such as costs related to organizational changes, implementing additional protection technologies, training employees and engaging consultants and legal advisors, which are likely to increase over time. In addition, such requirements may require us to modify our data processing practices and policies, utilize management's time and/or divert resources from other initiatives and projects.

If we are unable to properly protect the privacy and security of personal information, we could be alleged or actually found to have breached our contracts. Furthermore, if we fail to comply with applicable privacy laws, including applicable HIPAA privacy and security standards, we could face significant administrative, civil and criminal penalties. HHS has the discretion to impose penalties without attempting to resolve violations through informal means, and such enforcement activity can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations that threaten the privacy or security of the personal information of state residents. We cannot be sure how these laws, rules and regulations will be interpreted, enforced or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws, rules and regulations at the international, federal and state level may be costly and require ongoing modifications to our policies, procedures and systems.

We make public statements about our use, collection, disclosure and other processing of personal information through our privacy policies and information provided on our website. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices.

Failure by us or our third-party vendors to comply with laws, rules and regulations regarding data privacy and protection would expose us to risk of enforcement actions taken by data protection authorities and carries with it the potential for significant penalties if we are found to be non-compliant. Similarly, failure to comply with federal and state laws, rules and regulations in the United States regarding privacy and security of personal information could expose us to penalties under such laws, rules and regulations. Any such failure by us or our third-party vendors to comply with data protection and privacy laws, rules and regulations could result in significant government-imposed fines or orders requiring that we change our practices, claims for damages or other liabilities, regulatory investigations and enforcement action, litigation and significant costs for remediation, any of which could adversely affect our business. Even if we are not determined to have violated these laws, rules or regulations, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our business, financial condition, results of operations or prospects.

Risks Related to Third Party Relationships

If conflicts arise between us and our collaborators or strategic partners, these parties may act in a manner adverse to us and could limit our ability to implement our strategies.

If conflicts arise between our collaborators and corporate or strategic partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. Some of our collaborators and strategic partners are conducting multiple product development efforts within each area that is the subject of the collaboration with us. Our collaborators or strategic partners, however, may develop, either alone or with others, products in related fields that are competitive with the product candidates we may develop that are the subject of these collaborations with us. Competing products, either developed by the collaborators or strategic partners or to which the collaborators or strategic partners have rights, may result in the withdrawal of partner support for any product candidates we may develop.

Additionally, some of our collaborators or strategic partners could also become our competitors in the future. Our collaborators or strategic partners could develop competing products, preclude us from entering into collaborations with their competitors, fail to obtain timely regulatory approvals, prevent us from obtaining timely regulatory approvals, terminate their agreements with us prematurely or fail to devote sufficient resources to the collaboration efforts, including development, delivery, manufacturing and commercialization of products. Any of these developments could harm our company and product development efforts.

We have entered into collaborations, and may enter into additional collaborations, with third parties for the research, development, manufacture and commercialization of programs or product candidates. If these collaborations are not successful, our business could be adversely affected.

As part of our strategy, we have entered into collaborations and intend to seek to enter into additional collaborations with third parties for one or more of our programs or product candidates we may develop. For example, in November 2022, we entered into a Collaboration and License Agreement with Ionis Pharmaceuticals, Inc. ("Ionis") to research, develop and commercialize investigational medicines using our genome editing technologies. Our likely collaborators for any other collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We have under these agreements, and we may have under any other arrangements that we may enter into with any third parties, limited control over the amount and timing of resources that collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenue from these arrangements may depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations that we enter into may not be successful, and any success will depend heavily on the efforts and activities of such collaborators. Collaborations pose a number of risks, including the following:

- collaborators have significant discretion in determining the amount and timing of efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development of our product candidates or may elect not to continue or renew development programs based on results of clinical trials or other studies, 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 not pursue commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew commercialization programs based on results of clinical trials or other studies, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that may divert resources or create competing priorities;
- collaborators may delay preclinical studies and clinical trials, provide insufficient funding for a preclinical study or clinical trial program, stop a preclinical study or clinical trial or abandon a product candidate, repeat or conduct new preclinical studies or clinical trials or require a new formulation of a product candidate for preclinical or clinical testing;
- we may not have access to, or may be restricted from disclosing, certain information regarding product candidates being developed or commercialized under a collaboration and, consequently, may have limited ability to inform our stockholders about the status of such product candidates on a discretionary basis;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates and products if the collaborators believe that the 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 may fail to comply with applicable regulatory requirements regarding the development, manufacture, distribution or marketing of a product candidate or product;
- 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 or products;
- disagreements with collaborators, including disagreements over intellectual property or proprietary rights, contract interpretation or the preferred course of development, might cause delays or terminations 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 obtain, maintain, enforce, defend or protect our intellectual property or proprietary rights or may use our proprietary information in such a way as to potentially lead to disputes or legal proceedings that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;
- disputes may arise with respect to the ownership of intellectual property or other rights developed pursuant to our collaborations;

- collaborators may infringe, misappropriate or otherwise violate the intellectual property or proprietary rights of third parties, which may expose us to litigation and potential liability; and
- collaborations may be terminated for the convenience of the collaborator, and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner, or at all. If any current or future collaborations do not result in the successful development and commercialization of products or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of our product candidates could be delayed and we may need additional resources to develop our product candidates. All of the risks relating to product development, regulatory approval and commercialization described in this Quarterly Report on Form 10-Q also apply to the activities of our collaborators.

Collaboration agreements may require us to incur non-recurring and other charges, increase our near- and long-term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business. For more information, see the section titled "Business—Our License and Collaboration Agreements."

We could face significant competition in seeking appropriate collaborators, and the negotiation process is time-consuming and complex. Our ability to reach a definitive collaboration agreement 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 several factors. If we license rights to any product candidates we or our collaborators may develop, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture.

We may also be restricted under existing collaboration agreements from entering into future collaboration agreements on certain terms with potential collaborators. 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, which further increases competition we face in seeking potential collaborations.

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

Our collaborators and strategic partners may control aspects of our clinical trials, which could result in delays and other obstacles in the commercialization of our proposed products and materially harm our results of operations.

For some programs, we will depend on third party collaborators and strategic partners to design and conduct our clinical trials. As a result, we may not be able to conduct these programs in the manner or on the time schedule we currently contemplate, which may negatively impact our business operations. In addition, if any of these collaborators or strategic partners withdraw support for our programs or proposed products or otherwise impair their development, our business could be negatively affected.

In November 2022, we entered into a Collaboration and License Agreement with Ionis to research, develop and commercialize investigational medicines for up to eight potential genetic targets using genome editing technologies. Our lack of control over the clinical development in our agreement with Ionis could cause delays or other difficulties in the development and commercialization of product candidates, which may prevent completion of intended IND applications in a timely fashion, if at all.

In addition, the termination of these agreements would prevent us from receiving any milestone, royalty payments and other benefits under that agreement, which would have a materially adverse effect on our results of operations.

Our collaborators or strategic partners may decide to adopt alternative technologies or may be unable to develop commercially viable products with our technology, which would negatively impact our revenues and our strategy to develop these products.

Our collaborators or strategic partners may adopt alternative technologies, which could decrease the marketability of our genome editing technology. Additionally, because our current or future collaborators or strategic partners are likely to be working on more than one development project, they could choose to shift their resources to projects other than those they are working on with us. If they do so, this would delay our ability to test our technology and would delay or terminate the development of potential products based on our genome editing technology. Further, our collaborators and strategic partners may elect not to develop products arising out of our collaborative and strategic partnering arrangements or to devote sufficient resources to the development, manufacturing, marketing or sale of these products. The failure to develop and commercialize a product candidate pursuant to our agreements with our current or future collaborators would prevent us from receiving future milestone and royalty payments which would negatively impact our revenues.

We expect to rely on third parties to conduct our clinical trials and some aspects of our research, as well as some aspects of our delivery methods, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research or testing.

We expect to rely on third parties, such as CROs, clinical data management organizations, medical institutions, preclinical laboratories and clinical investigators, to conduct some aspects of our research. For example, we may rely on a third party to supply LNPs or AAVs, or to conduct our preclinical animal experiments. Any of these third parties may terminate their engagements with us at any time under certain criteria. If we need to enter into alternative arrangements, it may delay our product development activities.

Our reliance on these third parties for clinical research and other development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA, the EMA and other regulatory authorities require us and the study sites and investigators we work with to comply with standards, commonly referred to as GLPs and GCPs for conducting, recording and reporting the results of preclinical studies and clinical trials to assure, amongst other things, that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. In the United States, we also are required to register certain clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design the preclinical studies and clinical trials for our potential product candidates, CROs will conduct some or all of the preclinical studies and clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct preclinical studies and future clinical trials will also result in less direct control over the management of data developed through preclinical studies and clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Among other reasons that may delay or impact the development of our potential product candidates, outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

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

We may also expect to rely on other third parties to store and distribute drug supplies for our future clinical trials. Any performance failure on the part of our distributors could delay clinical development or regulatory approval of any product candidates we may develop or commercialization of our therapies, producing additional losses and depriving us of potential product revenue.

Manufacturing biologic products is complex and subject to product loss for a variety of reasons. We contract with third parties for the manufacture of certain materials for our development programs and expect to continue to do so for clinical trials and commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our future product candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We operate and are expanding our cGMP manufacturing facility which is currently capable of manufacturing clinical grade nucleases and mRNA to supply both wholly-owned and collaboration programs. We also partner with CMOs for guide RNA ("gRNA") and DNA template development and supply. We also rely, and expect to continue to rely, on third parties for gRNA and DNA template development and supply, as well as for preclinical and clinical testing and commercial manufacture if any of our product candidates receive regulatory approval. We also expect to rely on these third parties for certain logistics, including packaging, labeling, storage, and distribution. This reliance on third parties increases the risk that we will not have sufficient quantities of our materials or future product candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

We or our third-party manufacturers may encounter shortages in the raw materials or active pharmaceutical ingredients necessary to produce our future product candidates in the quantities needed for our preclinical studies or clinical trials or, if our future product candidates are approved, in sufficient quantities for commercialization or to meet an increase in demand, as a result of capacity constraints or delays or disruptions in the market for the raw materials or active pharmaceutical ingredients, including shortages caused by the purchase of such raw materials or active pharmaceutical ingredient by our competitors or others. The failure of us or our third-party manufacturers to obtain the raw materials or active pharmaceutical ingredients necessary to manufacture sufficient quantities of our future product candidates may have a material adverse effect on our business.

Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical trials must be manufactured in accordance with cGMP. We, along with our third-party manufacturers, are subject to inspection and approval by regulatory authorities before we can commence the manufacture and sale of any of our future product candidates, and thereafter subject to ongoing inspection from time to time. We or our third-party manufacturers may not be able to comply with cGMP or similar regulatory requirements outside of the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in regulatory actions, such as the issuance of FDA Form 483 notices of observations, warning letters or sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

Manufacturing biologic products, such as the product candidates we intend to develop, is complex, especially in large quantities. Biologic products must be made consistently and in compliance with a clearly defined manufacturing process. Accordingly, it is essential to be able to validate and control the manufacturing process to assure that it is reproducible. Any product candidates and products that we may develop may compete with other product candidates and products for access to manufacturing facilities. As a result, we may not obtain access to these facilities on a priority basis or at all. There are a limited number of manufacturers that operate under cGMP and that might be capable of manufacturing for us.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or regulatory approval. We do not currently have arrangements in place for redundant supply or a source for bulk drug substance nor do we have any agreements with third-party manufacturers for long-term commercial supply. If any of our contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture materials or future product candidates or products we may develop, we may incur added costs and delays in identifying and qualifying any such replacement or be unable to reach agreement with an alternative manufacturer. If we are required to change third party-manufacturers for any reason, we will be required to verify that the new third party-manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our materials or future product candidates or products according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new third party-manufacturer could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. Furthermore, a third party-manufacturer may possess technology related to the manufacture of our materials or future product candidates or products that such third party-manufacturer owns independently. This would increase our reliance on such third party-manufacturer or require us to obtain a license from such third party-manufacturer in order to have another third party-manufacturer manufacture our materials or future product candidates or products, which may not be available on commercially reasonable terms, or at all. In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

Our current and anticipated future dependence upon others for the manufacture of materials and any future product candidates or products we may develop may adversely affect our future profit margins and our ability to commercialize any products that receive regulatory approval on a timely and competitive basis.

Our relationships with healthcare providers, physicians, and third-party payors will be subject to applicable anti-kickback, fraud and abuse, anti-bribery and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, and diminished profits and future earnings.

Healthcare providers, including physicians, and third-party payors play a primary role in the recommendation and prescription of any product candidates that we may develop for which we obtain regulatory approval and marketing approval. Our current and future arrangements with third-party payors, healthcare providers and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell, and distribute our products for which we obtain regulatory approval. Restrictions under applicable federal and state healthcare laws and regulations, including certain laws and regulations applicable only if we have marketed products, include the following:

- the civil FCA prohibits knowingly presenting or causing the presentation of a false, fictitious or fraudulent claim for payment to the U.S. government. Actions under the FCA may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. Violations of the FCA can result in very significant monetary penalties, for each false claim and treble the amount of the government's damages. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims;
- the federal Anti-Kickback Statute prohibits, among other things, persons from soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. A violation of the federal Anti-Kickback Statute can also form the basis for FCA liability;
- HIPAA, which, in addition to privacy protections applicable to healthcare providers and other entities, prohibits executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), and its implementing regulations, including the final omnibus rule published on January 25, 2013, imposes, among other things, certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain, transmit, or obtain, protected health information in connection with providing a service for or on behalf of a covered entity, and their covered subcontractors. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions;
- the FD&C Act, which among other things, strictly regulates drug marketing, prohibits manufacturers from marketing such products for off-label use and regulates the distribution of samples;
- federal laws that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under government healthcare programs;
- federal transparency laws, including the federal Physician Payment Sunshine Act created under the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA"), and its implementing regulations, which requires manufacturers of certain drugs, devices, medical supplies, and biologics, among others, to track and disclose payments under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) and other transfers of value they make to U.S. physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician providers such as physician assistants and nurse practitioners, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. This information is subsequently made publicly available in a searchable format on a Centers for Medicare & Medicaid Services ("CMS") website. Failure to disclose required information may result in civil monetary penalties for all payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission. Certain states also mandate implementation of compliance programs, impose restrictions on drug manufacturer marketing practices and/ or require the tracking and reporting of gifts, compensation and other remuneration to physicians and/or other healthcare providers; and
- analogous state and foreign laws and regulations, such as state anti-kickback, anti-bribery and false claims laws, which may apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers.

Some state laws also require pharmaceutical companies to comply with specific compliance standards, restrict financial interactions between pharmaceutical companies and healthcare providers or require pharmaceutical companies to report information related to payments to healthcare providers or marketing expenditures.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Given the breadth of the laws and regulations, limited guidance for certain laws and regulations and evolving government interpretations of the laws and regulations, governmental authorities may possibly conclude that our business practices may not comply with healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to significant penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, individual imprisonment, and the curtailment or restructuring of our operations, any of which could adversely affect our business, financial condition, results of operations, and prospects.

The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order, or use of medicinal products is prohibited in the European Union. The provision of benefits or advantages to induce or reward improper performance generally is governed by the national anti-bribery laws of European Union Member States, and the Bribery Act 2010 in the United Kingdom. Infringement of these laws could result in substantial fines and imprisonment. EU Directive 2001/83/EC, which is the EU Directive governing medicinal products for human use, further provides that, where medicinal products are being promoted to persons qualified to prescribe or supply them, no gifts, pecuniary advantages or benefits in kind may be supplied, offered or promised to such persons unless they are inexpensive and relevant to the practice of medicine or pharmacy. This provision has been transposed into the Human Medicines Regulations 2012 and so remains applicable in the United Kingdom despite its departure from the EU.

Payments made to physicians in certain European Union Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization, and/or the regulatory authorities of the individual European Union Member States. These requirements are provided in the national laws, industry codes, or professional codes of conduct applicable in the European Union Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

Risks Related to Personnel, Operations, and Growth

We may not realize the expected operational or financial benefits from our organizational changes, which could also have unintended consequences and adversely impact our financial position, results of operations and cash flows.

On November 11, 2025, we announced a new Chief Executive Officer and a strategic restructuring that included a reduction in our organizational headcount of 25%. We recognized substantially all of the charges related to the workforce reduction in the quarter ended December 31, 2025.

Our changes in executive management, as well as the reduction in headcount, may be disruptive to our operations. Any significant leadership change or executive management transition involves inherent risk and can be difficult to manage. For example, these changes could yield unanticipated consequences, such as attrition beyond planned staff reductions, the loss of institutional knowledge and expertise, increased difficulties in our day-to-day operations, reduced employee morale and diversion of our management and employee attention from other business priorities. The reduction in headcount could also harm our ability to attract and retain qualified personnel who are critical to our business, make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel.

Our future success depends on our ability to retain our Chief Executive Officer and other key executives and to attract, retain, and motivate qualified personnel.

In November 2025, we experienced the departure of our Founder and Chief Executive Officer, Brian C. Thomas. Jian Irish, our former President and Chief Operating Officer, was appointed as our new Chief Executive Officer and President. We are highly dependent on principal members of our management and scientific teams. Such principal members are engaged "at will," meaning we or they may terminate the relationship at any time. We do not maintain "key person" insurance for any of our executives or other employees. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives. For us to successfully compete and grow, we must recruit, retain, and develop talent who can provide the necessary expertise across a broad spectrum of disciplines. In addition, we must develop, maintain and, as necessary, implement appropriate succession plans to ensure we have the necessary human capital capable of maintaining continuity in our business.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. In addition, our company-building efforts and establishment of a company culture will also be important to developing an innovative company in a high-evolving area. We may not be able to succeed in these efforts to build Metagenomi Therapeutics as an attractive and exciting place to build a career or to attract and retain these types of personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors, including our scientific co-founders, may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. We may also encounter problems hiring and retaining the experienced scientific, quality control and manufacturing personnel needed to manage our manufacturing process, which could result in delays in our production or difficulties in maintaining compliance with applicable regulatory requirements. The inability to recruit, or 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 expect to expand our research, development, delivery, manufacturing, commercialization, regulatory, and future sales and marketing capabilities over time, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We may fail to manage our growth effectively. As of June 30, 2026, we had 113 full-time employees, of which 38 have M.D. or Ph.D. degrees. Within our workforce, 92 employees are engaged in research, development and technical operations, and 21 are engaged in business development, finance, legal, and general management and administration. In connection with the growth and advancement of our pipeline and continuing to operate as a public company, we expect to increase the scope of our operations, particularly in the areas of research and clinical development, regulatory affairs and, if any of our future product candidates receive regulatory approval, sales and marketing. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities, and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expected expansion of our operations or recruit and train additional qualified personnel. Moreover, the expected physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

As a growing biotechnology company, we are actively developing our platform technology and pursuing development of future product candidates in many therapeutic areas and across a wide range of diseases. Successfully developing product candidates for and fully understanding the regulatory and manufacturing pathways to all of these therapeutic areas and disease states requires a significant depth of talent, resources and corporate processes in order to allow simultaneous execution across multiple areas. We will need to transition from a company with a research focus to a company capable of conducting clinical trials and ultimately supporting commercial activities if any of our product candidates are approved. We may not be successful in such a transition. Due to our limited resources, we may not be able to effectively manage this simultaneous execution and the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, legal or regulatory compliance failures, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of our potential product candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to compete effectively and commercialize any product candidates we may develop will depend in part on our ability to effectively manage the future development and expansion of our company, and may prevent us from achieving or maintaining profitability. We cannot assure you that we will be able to compete effectively in the future against existing or new competitors, and our failure to do so could harm our business, financial condition, and results of operations.

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, reduced staffing, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies, including substantial leadership changes, personnel cuts, and policy changes, may also slow the time necessary for biologics or modifications to approved biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. Changes and cuts in FDA staffing also could result in delays in the FDA's responsiveness or in its ability to review IND submissions or marketing applications, issue regulations or guidance, or implement or enforce regulatory requirements in a timely fashion or at all.

A prolonged government shutdown, significant leadership, personnel, and/or policy changes, or other substantial modifications in agency activities (including due to global health concerns or geopolitical factors) could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Disruptions at agencies that fund our research and development activities and our clinical trials, or changes to such agencies' budgets, may negatively impact our operations and ongoing clinical trials and may limit our ability to seek additional funding in the future. Further shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

There is substantial uncertainty as to how and the extent the Trump administration will seek to modify or revise the requirements and policies of the FDA and other regulatory agencies with jurisdiction over our product candidates and any products for which we obtain approval. This uncertainty could present new challenges and/or opportunities as we navigate development and approval of our product candidates. Additionally, the Trump administration could issue or promulgate executive orders, regulations, policies or guidance that adversely affect us or create a more challenging or costly environment to pursue the development of new therapeutic candidates.

Risks Related to Our Intellectual Property

Our commercial success depends on our ability to obtain, maintain, enforce, and otherwise protect our intellectual property and proprietary technology, and if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors or other third parties could develop and commercialize products and product candidates similar or identical to ours and our ability to successfully develop and commercialize our genome editing systems may be adversely affected.

Our commercial success depends, in large part, on our ability to obtain and maintain intellectual property rights protection through patents, trademarks, and trade secrets in the United States and other countries with respect to our proprietary genome editing systems and to operate without infringing, misappropriating or otherwise violating the intellectual property of others. If we do not adequately protect our intellectual property rights, competitors or other third parties may be able to erode, negate or preempt any competitive advantage we may have, which could harm our business and ability to achieve profitability. To protect our proprietary position, we have filed patent applications and may file other patent applications in the United States or abroad related to our genome editing systems that are important to our business; we may also license or purchase patents or patent applications filed by others. The patent application process is expensive, time-consuming and complex. 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. Additionally, recent reforms and changes at government agencies of the United States and those of non-U.S. jurisdictions could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications, and the maintenance, enforcement, or defense of our issued patents. For example, the ability of the United States Patent and Trademark Office ("USPTO") and other applicable patent authorities to properly administer their functions is highly dependent on the levels of funding available to the agency and their ability to retain key personnel and fill key leadership appointments, among various factors. Termination of employees or delays in replacing or hiring for key positions could significantly impact the ability of the USPTO and other applicable patent authorities to fulfill their functions and could greatly impact our ability to timely and adequately prosecute or maintain our patent applications, and our ability to timely and adequately maintain, enforce, or defend our issued patents.

We may not be able to obtain patents on certain inventions if those inventions are publicly disclosed prior to our filing a patent application covering them. We enter into nondisclosure and confidentiality agreements with parties who have access to confidential information, including confidential information regarding inventions not yet disclosed in patent applications. We cannot guarantee that any of these parties will not breach these confidentiality agreements and publicly disclose any of our inventions before a patent application is filed covering such inventions. If such confidential information is publicly disclosed, we may not be able to successfully patent it and consequently, we may not be able to prevent third parties from using such inventions.

If the scope of the patent protection we obtain is not sufficiently broad, we may not be able to prevent others from developing and commercializing technology and products similar or identical to ours. The degree of patent protection we require to successfully compete in the marketplace may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our patents have, or that any of our pending owned patent applications that mature into issued patents will include claims with a scope sufficient to protect our proprietary genome editing systems or otherwise provide any competitive advantage. Other parties have developed or may develop technologies that may be related or competitive with our approach, and may have filed or may file patent applications and may have been issued or may be issued patents with claims that overlap or conflict with our patent portfolio, either by claiming the same compounds, formulations or methods or by claiming subject matter that could dominate our patent position. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally twenty years after its earliest priority claim, not including priority claims to provisional or foreign national applications. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited.

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of our U.S. patents or those any future partners, collaborators, or licensees may be eligible for limited patent term restoration under the Hatch-Waxman Amendments. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates.

We may not be granted any extensions for which we apply in the U.S. or any other jurisdiction because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we project or request. In addition, to the extent we wish to pursue patent term extension based on a patent that we in-license from a third party, we would need the cooperation of that third party. If we are unable to obtain patent term extension or restoration, or the foreign equivalent, or if the term of any such extension is less than we project or request, our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially.

Given the amount of time required for the development, testing and regulatory review of new genome editing systems, patents protecting such genome editing systems might expire before or shortly after such genome editing systems are commercialized. As a result, our patent portfolio may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing products similar or identical to ours.

Even if they are unchallenged, our owned patents and pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our patent portfolio by developing similar or alternative genome editing systems in a non-infringing manner. For example, a third party may develop a genome editing system that provides benefits similar to our genome editing systems but falls outside the scope of our patent protection or license rights. If the patent protection provided by the patent and patent applications we hold or pursue with respect to our genome editing systems is not sufficiently broad to impede such competition, our ability to successfully commercialize our product genome editing systems could be negatively affected, which would harm our business.

We, or any future partners, collaborators, or licensees, may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, we may miss potential opportunities to strengthen our patent position.

It is possible that defects of form in the preparation or filing of our patent portfolio may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, claim scope, or requests for patent term adjustments. If we or our partners, collaborators, or licensees whether current or future, fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our partners, collaborators, or licensees are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form, preparation, prosecution, or enforcement of our patent portfolio, such patents may be invalid and/or unenforceable, and such applications may never result in valid, enforceable patents. Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned or licensed patents and patent applications. We rely on our outside counsel, outside patent annuity service or our licensing partners to pay these fees due to U.S. and non-U.S. patent agencies. The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

The patent position of biotechnology and pharmaceutical companies carries uncertainty. In addition, the determination of patent rights with respect to genome editing technologies commonly involves complex legal and factual questions, which are dependent upon the current legal and intellectual property context, extant legal precedent and interpretations of the law by individuals. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are characterized by uncertainty.

Pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Assuming the other requirements for patentability are met, currently, the first to file a patent application is generally entitled to the patent. However, prior to March 16, 2013, in the United States, the first to invent was entitled to the patent. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are not published until 18 months after filing, or in some cases not at all. Furthermore, the volume of all publicly available prior art is not feasibly searchable in detail in its entirety. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patent portfolio, or that we were the first to file for patent protection of such inventions. If third parties have filed prior patent applications on inventions claimed in our patent portfolio that were filed on or before March 15, 2013, an interference proceeding in the United States can be initiated by such third parties to determine who was the first to invent any of the subject matter covered by our patent portfolio. If third parties have filed such prior applications after March 15, 2013, a derivation proceeding in the United States can be initiated by such third parties to determine whether our invention was derived from theirs.

Moreover, because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, our patents may be challenged in the courts or patent offices in the United States and abroad. There is no assurance that all the potentially relevant prior art relating to our patent portfolio has been found. 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. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patent portfolio, or that we were the first to file for patent protection of such inventions. If such prior art exists, it may be used to invalidate a patent, or may prevent a patent from issuing from a pending patent application. For example, such patent filings may be subject to a third-party submission of prior art to the USPTO, or to other patent offices around the world. Alternately or additionally, we may become involved in post-grant review procedures, oppositions, derivation proceedings, ex parte reexaminations, inter partes review, supplemental examinations, or interference proceedings or challenges before the USPTO or in district court in the United States, or similar proceedings in various foreign jurisdictions, including both national and regional, challenging patents or patent applications in which we have rights, including patents on which we rely to protect our business. An adverse determination in any such challenges may result in loss of the patent or claims in the patent portfolio being narrowed, invalidated or held unenforceable, in whole or in part, or in denial of the patent application or loss or reduction in the scope of one or more claims of the patent portfolio, any of which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products.

Pending and future patent applications may not result in patents being issued that protect our business, in whole or in part, or which effectively prevent others from commercializing competitive products. Competitors may also be able to design around our patents. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. In addition, the laws of foreign countries may not protect our rights to the same extent or in the same manner as the laws of the United States. For example, patent laws in various jurisdictions, including jurisdiction covering significant commercial markets, such as the European Patent Office, China, and Japan, restrict the patentability of methods of treatment of the human body more than United States law does. If these developments were to occur, they could have a material adverse effect on our ability to generate revenue.

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. For example, the U.S. Supreme Court held in Amgen v. Sanofi (2023) that a functionally claimed genus was invalid for failing to comply with the enablement requirement of the Patent Act. In addition, the U.S. Court of Appeals for the Federal Circuit recently issued a decision involving the interaction of a patent term adjustment, terminal disclaimers, and obvious-type double patenting. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Similarly, foreign courts have made and will continue to make changes in how the patent laws in their respective jurisdictions are interpreted. We cannot predict future changes in the interpretation of patent laws or changes to patent laws that might be enacted into law by U.S. and foreign legislative bodies. For example, the IRA passed by Congress authorizes the Secretary of the Department of HHS to negotiate prices directly with participating manufacturers for selected medicines covered by Medicare even if these medicines are protected by an existing patent. While we do not believe that the IRA or its effects will impact our ability to obtain patents in the near future, we cannot be certain whether it will affect our patent strategy in the long run. 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 patent and the patents we might obtain or license in the future. Additionally, in July 2025, the U.S. Food and Drug Administration (FDA) announced its intent to increase transparency by publicly releasing portions of Complete Response Letters (CRLs) issued to drug and biologic sponsors. While the FDA has stated that confidential information will be protected, it remains unclear how such disclosures will be implemented. Because CRLs often contain specific observations about study design, clinical endpoints, chemistry, manufacturing, and controls (CMC) data, or other proprietary information, any public release could unintentionally disclose information that competitors may use to infer proprietary aspects of our product candidates or platform technologies. This could compromise the confidentiality of our trade secrets and know-how or facilitate third-party efforts to design around or challenge the validity, enforceability, or scope of our patents, or accelerate the development of generics or biosimilars. If we are required to modify or limit the information shared with the FDA to mitigate such risks, it could increase costs, slow our regulatory interactions, or delay product approval timelines.

European patent applications now have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the Unified Patent Court (UPC). This is a significant change in European patent practice. As the UPC is a relatively new court system, there is limited precedent for the court, increasing the uncertainty of any litigation. As a single court system can invalidate a European patent, we, where applicable, have opted out of the UPC for certain cases. But for proceedings such as an opposition, an opt out European patent would need to be challenged in each individual country.

Geo-political actions in the U.S. and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors. Government actions may also prevent filing, prosecution and maintenance of issued patents in various jurisdictions. These actions could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in such jurisdictions. If such an event were to occur, it could have a material adverse effect on our business. In addition, jurisdictions outside of the U.S. could also permit our patents to be exploited without consent or compensation. In such circumstances we would not be able to prevent third parties from practicing our inventions or from selling or importing products made using our inventions in and into such jurisdictions. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected. Additionally, changes in US trade policy, including the imposition of new or increased tariffs as well as retaliatory measures by other countries, could adversely affect our patent strategy, such as where we choose to file, maintain, or enforce our patents. Also, if we are required to move our research or manufacturing activities to new regions, this may expose us to jurisdictions with weaker intellectual property enforcement, differing patent eligibility standards, or greater risk of compulsory licensing. These factors could compromise the protection or value of our proprietary technologies, including our core patents and related know-how.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or any of our future development partners will be successful in protecting our genome editing systems by obtaining and defending patents. These risks and uncertainties include the following:

- the USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance, whether intentional or not, can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case;
- patent applications may not result in any patents being issued;
- Company-owned or in-licensed patents that have been issued or may be issued in the future may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- our competitors, many of whom have substantially greater resources and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with or eliminate our ability to make, use, and sell our genome editing systems;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns;
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing products; and
- countries other than the U.S. may, under certain circumstances, force us to grant a license under our patents to a competitor, thus allowing the competitor to compete with us in that jurisdiction or forcing us to lower the price of our drug in that jurisdiction.

Issued patents that we have or may obtain or license may not provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Our competitors or other third parties may avail themselves of safe harbor under the Drug Price Competition and Patent Term Restoration Act of 1984 (Hatch-Waxman Amendments) to conduct research and clinical trials and may be able to circumvent our patent rights by developing similar or alternative technologies or products in a non-infringing manner. Our competitors may also seek approval to market their own products similar to or otherwise competitive with our products. In these circumstances, we may need to defend or assert our patents, or both, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or other agency with jurisdiction may find our patents invalid or unenforceable, or that our competitors do not infringe our patents. Thus, even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives.

Our research, development and commercialization activities may be subject to claims that we infringe, misappropriate or otherwise violate patents or other intellectual property rights of others. Additionally, other entities may have, develop or obtain patents that could impair our competitive position or limit our ability to make, use, sell, offer for sale or import our product candidates. There is a substantial amount of litigation, both within and outside the U.S., involving patent and other intellectual property rights in the biotechnology industry. Numerous third-party U.S. and foreign issued patents and pending patent applications exist in the fields in which we are developing product candidates. Third-party patents or patent applications may include claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Given the vast number of patents in our field of technology, we cannot be certain or guarantee that we do not infringe existing patents or that we will not infringe patents that may be granted in the future.

We may fail to identify relevant patents or patent applications or may identify pending patent applications of potential interest but incorrectly predict the likelihood that such patent applications may issue with claims of relevance to our technology. We may incorrectly conclude that a third-party patent is invalid, unenforceable or not infringed by our activities. Pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technology and product candidates. Because patent applications are maintained as confidential for a certain period of time, until the relevant application is published, we may be unaware of third-party patents that may be infringed by commercialization of any of our product candidates. Moreover, because patent applications can take many years to issue, there may be currently-pending patent applications that may later result in issued patents that our product candidates may infringe. Identification of third-party patent rights that may be relevant to our technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and ambiguity in the meaning of patent claims. Generative artificial intelligence resources that are publicly available also present a risk that a company may inadvertently obtain, incorporate or use a third party's intellectual property.

Third parties may assert patent infringement claims against us directed at any of our product candidates based on existing patent applications or patents that may be granted in the future, regardless of their merit. Any patent-related legal action against us claiming damages and seeking to enjoin commercial activities relating to our products, treatment indications, or processes could subject us to significant liability for damages, including treble damages if we were determined to willfully infringe, and require us to obtain a license to manufacture or market our product candidates. Defense of these claims would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. Because of the inevitable uncertainty in intellectual property litigation, we could lose a patent infringement or other action asserted against us regardless of our perception of the merits of the case. An adverse determination in a judicial or administrative proceeding, or the failure to obtain necessary licenses, could prevent us from developing and commercializing our product candidates, which could harm our business, financial condition and operating results. In addition, intellectual property litigation, regardless of its outcome, may cause negative publicity and could prohibit us from marketing or otherwise commercializing our product candidates and technology.

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 a 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.

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

We maintain certain information as company trade secrets. This information may relate to inventions that are not patentable or not optimally protected with patents. We use commercially acceptable practices to protect this information, including, for example, limiting access to the information and requiring passwords for our computers. Additionally, we execute confidentiality agreements with any third parties to whom we may provide access to the information and with our employees, consultants, scientific advisors, collaborators, vendors, contractors, and advisors. We cannot provide any assurances that all such agreements have been duly executed, and third parties may still obtain this information or may come upon this or similar information independently. It is possible that technology relevant to our business will be independently developed by a person who is not a party to such a confidentiality or invention assignment agreement. If any of our trade secrets were to be independently developed by a competitor or other third party, we would have no right to prevent such competitor or third party, or those to whom they communicate such independently developed information, from using that information to compete with us. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by contract manufacturers, consultants, collaborators, vendors, advisors, former employees and current employees.

Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Furthermore, if the parties to our confidentiality agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a consequence of such breaches or violations. Our trade secrets could otherwise become known or be independently discovered by our competitors. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating our trade secrets. If any of these events occurs or if we otherwise lose protection for our trade secrets, our business, financial condition, results of operation and prospects may be materially and adversely harmed.

In addition, we have entered into and may in the future enter into non-disclosure and confidentiality agreements to protect the proprietary positions of third parties, such as collaborators, CROs, third-party manufacturers, consultants, potential partners and other third parties. We may become subject to litigation where a third party asserts that we or our employees or other third parties inadvertently or otherwise breached the agreements and used or disclosed trade secrets or other information proprietary to the third parties. Defense of any such claims, regardless of their merit, could involve substantial litigation expense and be a substantial diversion of resources from our business. We cannot predict whether we would prevail in any such claims. Moreover, intellectual property litigation, regardless of its outcome, may cause negative publicity and could prohibit us from marketing or otherwise commercializing our product candidates and technology. Failure to defend against any such claim could subject us to significant liability for monetary damages or prevent or delay our developmental and commercialization efforts, including the loss of valuable intellectual property rights or personnel, all of which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team and other employees.

We have entered into and may in the future enter into license agreements with third parties to advance our research or allow commercialization of product candidates. These licenses may not provide us with exclusive rights in all relevant fields of use and in all territories in which we may wish to develop or commercialize our technology and products.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement, and defense of patents and patent applications covering the technology that we license. If our licensors fail to prosecute, maintain, enforce, and defend, or lose rights to such patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any product that is the subject of such licensed rights could be adversely affected. Even where we have the right to control patent prosecution of patents and patent applications we have/will license from third parties, we may still be adversely affected or prejudiced by actions or inactions taken by or on behalf of our licensors prior to the date upon which we assumed control over patent prosecution.

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

It is possible that we may be unable to obtain additional licenses at a reasonable cost or on reasonable terms, if at all. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to redesign our technology, product candidates, or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could harm our business, financial condition, results of operations, and prospects significantly.

Our future licenses likely will impose, various diligence, royalty payment, milestone payment, insurance and other obligations on us. If we fail to comply with any of these or other obligations in our license agreements, we may be required to pay damages and the licensor may have the right to terminate the licenses. Termination by the licensor would cause us to lose valuable rights and could prevent us from developing and commercializing our product candidates and proprietary technologies. Our business would be seriously harmed if any future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. If any such event occurs, competitors or other third parties may gain the freedom to seek regulatory approval of, and to market, products identical to ours. Further, we may have to negotiate new or reinstated licenses with less favorable terms or we may not have sufficient intellectual property rights to operate our business. This could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

The agreements under which we license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. Disputes may arise between us and our future licensors. In spite of our efforts, our future licensors might conclude that we have materially breached our obligations under our license agreements and might therefore terminate such license agreements, thereby removing our ability to develop and commercialize products and technology covered by these license agreements. 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 license prevent or impair our ability to maintain licensing arrangements on commercially acceptable terms, or are insufficient to provide us the necessary rights to use the intellectual property rights, 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.

Our licensors may also own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating our licensor's rights. In addition, while we cannot currently determine the amount of royalty obligations we would be required to pay on the sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in product candidates that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize any product candidates, we may be unable to achieve or maintain profitability.

It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

Our commercial success will depend in part on obtaining and maintaining patent protection and trade secret protection for our proprietary genome editing systems, as well as on successfully defending these patents against potential third-party challenges. Our ability to protect our genome editing systems from unauthorized making, using, selling, offering to sell or importing by third parties is dependent on the extent to which we have rights under valid and enforceable patents that cover these activities.

The patent positions of pharmaceutical, biotechnology and other life sciences companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved and have in recent years been the subject of much litigation. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. Over the past decade, U.S. federal courts have increasingly invalidated pharmaceutical and biotechnology patents during litigation often based on changing interpretations of patent law. Further, the determination that a patent application or patent claim meets all the requirements for patentability is a subjective determination based on the application of law and jurisprudence. The ultimate determination by the USPTO or by a court or other trier of fact in the United States, or corresponding foreign national patent offices or courts, on whether a claim meets all requirements of patentability cannot be assured. Although we have conducted searches for third-party publications, patents and other information that may affect the patentability of claims in our patent portfolio, we cannot be certain that all relevant information has been identified. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our own patent portfolio.

We cannot provide assurances that any of our patent applications will be found to be patentable, including over our own prior art publications or patent literature, or will issue as patents. Neither can we make assurances as to the scope of any claims that may issue from our pending and future patent applications nor to the outcome of any proceedings by any potential third parties that could challenge the patentability, validity or enforceability of our patent portfolio in the United States or foreign jurisdictions. Any such challenge, if successful, could limit patent protection for our genome editing systems and/or materially harm our business.

In addition to challenges during litigation, third parties can challenge the validity of our patents in the United States using post-grant review and inter partes review proceedings, which some third parties have been using to cause the cancelation of selected or all claims of issued patents of competitors. For a patent filed March 16, 2013 or later, a petition for post-grant review can be filed by a third party in a nine-month window from issuance of the patent. A petition for inter partes review can be filed immediately following the issuance of a patent if the patent has an effective filing date prior to March 16, 2013. A petition for inter partes review can be filed after the nine-month period for filing a post-grant review petition has expired for a patent with an effective filing date of March 16, 2013 or later. Post-grant review proceedings can be brought on any ground of invalidity, whereas inter partes review proceedings can only raise an invalidity challenge based on published prior art and patents. These adversarial actions at the USPTO review patent claims without the presumption of validity afforded to U.S. patents in lawsuits in U.S. federal courts and use a lower burden of proof than used in litigation in U.S. federal courts. Therefore, it is generally considered easier for a competitor or third party to have a U.S. patent invalidated in a USPTO post-grant review or inter partes review proceeding than invalidated in a litigation in a U.S. federal court. If any of our patents are challenged by a third party in such a USPTO proceeding, there is no guarantee that we will be successful in defending the patent, which may result in a loss of the challenged patent right to us.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- we may not be able to generate sufficient data to support full patent applications that protect the entire breadth of developments in one or more of our programs;
- it is possible that one or more of our pending patent applications will not become an issued patent or, if issued, that the patent(s) claims will have sufficient scope to protect our technology, provide us with commercially viable patent protection or provide us with any competitive advantages;
- if our pending applications issue as patents, they may be challenged by third parties as invalid or unenforceable under United States or foreign laws;
- we may not successfully commercialize our genome editing systems, if approved, before our relevant patents expire;
- we may not be the first to make the inventions covered by our patent portfolio; or
- we may not develop additional proprietary technologies or genome editing systems that are separately patentable.

In addition, to the extent that we are unable to obtain and maintain patent protection for our genome editing systems, or in the event that such patent protection expires, it may no longer be cost-effective to extend our portfolio by pursuing additional development of any of our genome editing systems for follow-on indications.

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

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest priority claim, not including priority claims to provisional or foreign national applications. The patent term of a U.S. patent may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent.

Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new genome editing systems, patents protecting such genome editing systems might expire before or shortly after such genome editing systems are commercialized.

In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a Patent Term Extension ("PTE") of up to five years beyond the normal expiration of the patent to compensate patent owners for loss of enforceable patent term due to the lengthy regulatory approval process. A PTE grant cannot extend the remaining term of a patent beyond a total of 14 years from the date of the product approval.

Further, PTE may only be applied once per product, and only with respect to an approved indication. In other words, only one patent (for example, covering the product itself, an approved use of said product, or a method of manufacturing said product) can be extended by PTE. We anticipate applying for PTE in the United States. Similar extensions may be available in other countries where we are prosecuting patents and we likewise anticipate applying for such extensions.

The granting of such patent term extensions is not guaranteed and is subject to numerous requirements. We might not be granted an extension because of, for example, failure to apply within applicable periods, failure to apply prior to the expiration of relevant patents or otherwise failure to satisfy any of the numerous applicable requirements. Additionally, administrative changes at the USPTO or other applicable regulatory patent authorities, such as reduced hiring and/or funding, may result in delays in issuance of a patent or in accrual of patent term extension, thereby reducing the amount of patent term extension that could otherwise be received. Administrative changes (*e.g.*, at the FDA or USPTO) may also lead to delays in review and analysis of requests for patent term extension, which could result in a patent term extension not being timely granted (*e.g.*, before the expiration of the patent). In addition, to the extent we wish to pursue patent term extension based on a patent that we in-license from a third party, we would need the cooperation of that third party. Moreover, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority 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 obtain approval of competing products following our patent expiration by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case. If this were to occur, it could have a material adverse effect on our ability to generate revenue.

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

The United States Congress is responsible for passing laws establishing patentability standards. As with any laws, implementation is left to federal agencies and the federal courts based on their interpretations of the laws. Interpretation of patent standards can vary significantly within the USPTO, and across the various federal courts, including the U.S. Supreme Court. Recently, the Supreme Court has ruled on several patent cases, generally limiting the types of inventions that can be patented. Further, there are open questions regarding interpretation of patentability standards that the Supreme Court has yet to decisively address. Absent clear guidance from the Supreme Court, the USPTO has become increasingly conservative in its interpretation of patent laws and standards.

In addition to increasing uncertainty with regard to our ability to obtain patents in the future, the legal landscape in the U.S. has created uncertainty with respect to the value of patents. Depending on any actions by Congress, and future decisions by the lower federal courts and the U.S. Supreme Court, along with interpretations by the USPTO, the laws and regulations governing patents could change in unpredictable ways and could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

The U.S. Supreme Court has ruled on several patent cases in recent years; these cases often narrow the scope of patent protection available to inventions in the biotechnology and pharmaceutical spaces. For example, in *Association for Molecular Pathology v. Myriad Genetics, Inc.* ("*Myriad*"), the Supreme Court ruled that a "naturally occurring DNA segment is a product of nature and not patent eligible merely because it has been isolated," and invalidated Myriad Genetics' claims on the isolated BRCA1 and BRCA2 genes. Certain claims of our patent portfolio relate to genome editing systems. While we believe that our proprietary genome editing systems involve significant human intervention, components of the system, such as the isolated nucleases with no modifications, are derived from naturally-occurring products. To the extent that such claims are deemed to be directed to natural products, or to lack an inventive concept above and beyond an isolated natural product, a court may decide the claims are directed to patent-ineligible subject matter and are invalid. The application of *Myriad* to biotechnology inventions has continued to develop and may continue to change over time.

Subsequent rulings in cases or guidance or procedures issued by the USPTO relating to patent eligibility may have a negative impact on our business.

In *Amgen Inc. v. Sanofi* ("*Amgen*"), the U.S. Supreme Court held that certain of Amgen's patent claims defined a class of antibodies by their function of binding to a particular antigen. The U.S. Supreme Court further wrote that because the patent claims defined the claimed class of antibodies only by their function of binding to a particular antigen, a skilled artisan would have to use significant trial and error to identify and make all of the molecules in that class. The U.S. Supreme Court ultimately held that Amgen failed to properly enable its patent claims. Certain claims of our patent portfolio relate to broad classes of gene editors. To the extent that a court finds that the skilled artisan would need significant trial and error to identify all the gene editors in that class, the court may find the claims invalid under *Amgen*. 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.

Further, a new court system recently became operational in the European Union. The Unified Patent Court ("UPC") began accepting patent cases on June 1, 2023. The UPC is a common patent court with jurisdiction over patent infringement and revocation proceedings effective for multiple member states of the European Union. The broad geographic reach of the UPC could enable third parties to seek revocation of any of our European patents in a single proceeding at the UPC rather than through multiple proceedings in each of the individual European Union member states in which the European patent is validated. Under the UPC, a successful revocation proceeding for a European Patent under the UPC would result in loss of patent protection in those European Union countries. Accordingly, a single proceeding under the UPC could result in the partial or complete loss of patent protection in numerous European Union countries. Such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize our technology and product candidates and, resultantly, on our business, financial condition, prospects and results of operations. Moreover, the controlling laws and regulations of the UPC will develop over time and we cannot predict what the outcomes of cases tried before the UPC will be. The case law of the UPC may adversely affect our ability to enforce or defend the validity of our European patents. Patent owners have the option to opt-out their European Patents from the jurisdiction of the UPC, defaulting to pre-UPC enforcement mechanisms. We have decided to opt out certain European patents and patent applications from the UPC. However, if certain formalities and requirements are not met, our European patents and patent applications could be subject to the jurisdiction of the UPC. We cannot be certain that our European patents and patent applications will avoid falling under the jurisdiction of the UPC, if we decide to opt out of the UPC.

We may not be able to seek or obtain patent protection throughout the world or enforce such patent protection once obtained.

Filing, prosecuting, enforcing, and defending patents protecting our genome editing systems in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. The requirements for patentability may differ in certain countries, particularly in developing countries; thus, even in countries where we do pursue patent protection, there can be no assurance that any patents will issue with claims that cover our products.

Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. Additionally, laws of some countries outside of the United States and Europe do not afford intellectual property protection to the same extent as the laws of the United States and Europe. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. Consequently, we may not be able to prevent third parties from practicing our inventions in certain countries outside the United States and Europe or from selling or importing products made from 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 market their own products and, further, may export otherwise infringing products to territories where we have patent protection, if our ability to enforce our patents to stop infringing activities is inadequate. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Proceedings to enforce our patent rights, whether successful or not, could result in substantial costs and divert our efforts and resources from other aspects of our business. Further, such proceedings could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly; put our pending patent applications at risk of not issuing; and 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.

Furthermore, while we intend to protect our intellectual property rights in major markets for our products, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our products, if approved. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

Geo-political actions in the U.S. and in foreign countries (such as retaliatory measures by foreign countries in response to actions by the United States, in particular, tariffs) could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors. For example, the United States and foreign government actions related to Russia's invasion of Ukraine may limit or prevent filing, prosecution, and maintenance of patent applications in Russia. Government actions may also prevent filing, prosecution and maintenance of issued patents in Russia. These circumstances could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in Russia. Further, many foreign countries could threaten to impose retaliatory measures that may adversely impact our intellectual property rights in those countries. For example, on March 14, 2025, Brazil enacted Law No. 15. 122/2025, known as the Economic Reciprocity Law, which provides a framework that allows for the suspension of obligations related to foreign entity's intellectual property rights. If such an event were to occur, it could have a material adverse effect on our business. In addition, jurisdictions outside of the U.S. could also permit our patents to be exploited without consent or compensation. In such circumstances we would not be able to prevent third parties from practicing our inventions or from selling or importing products made using our inventions in and into such jurisdictions. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

In order to protect our competitive position around our future product candidates, we may become involved in lawsuits to enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful and which may result in our patents being found invalid or unenforceable.

Competitors may seek to commercialize competitive products to our genome editing systems. In order to protect our competitive position, we may become involved in lawsuits asserting infringement of our patents, or misappropriation or other violations of other of our intellectual property rights. Litigation is expensive and time consuming and would likely divert the time and attention of our management and scientific personnel. There can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Additionally, we may be subject to claims of patent infringement during those proceedings, and delays caused by the federal agencies may increase the time period that we are subject to such claims. For example, administrative changes, including reduced staff and budgets experienced by the Patent and Trial Appeal Board, could further delay our ability to timely challenge any such patents. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

If we file a patent infringement lawsuit against a perceived infringer, such a lawsuit could provoke the defendant to counterclaim that we infringe their patents and/or that our patents are invalid and/or unenforceable. In patent litigation in the United States, it is commonplace for a defendant to counterclaim alleging invalidity and/or unenforceability. In any patent litigation there is a risk that a court will decide that the asserted patents are invalid or unenforceable, in whole or in part, and that we do not have the right to stop the defendant from using the invention at issue. With respect to a counterclaim of invalidity, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention. If any of our patents are found invalid or unenforceable, or construed narrowly, our ability to stop the other party from launching a competitive product would be materially impaired. Further, such adverse outcomes could limit our ability to assert those patents against future competitors. Loss of patent protection would have a material adverse impact on our business.

Even if we establish infringement of any of our patents by a competitive product, a court may decide not to grant an injunction against further infringing activity, thus allowing the competitive product to continue to be marketed by the competitor. It is difficult to obtain an injunction in U.S. litigation and a court could decide that the competitor should instead pay us a "reasonable royalty" as determined by the court, and/or other monetary damages. A reasonable royalty or other monetary damages may or may not be an adequate remedy. Loss of exclusivity and/or competition from a related product would have a material adverse impact on our business.

Litigation often involves significant amounts of public disclosures. Such disclosures could have a materially adverse impact on our competitive position or our stock prices. During any litigation we would be required to produce voluminous records related to our patents and our research and development activities in a process called discovery. The discovery process may result in the disclosure of some of our confidential information. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could adversely affect the price of our common shares.

Litigation is inherently expensive, and the outcome is often uncertain. Any litigation likely would substantially increase our operating losses and reduce our resources available for development activities. Further, we may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. As a result, we may conclude that even if a competitor is infringing any of our patents, the risk-adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our stockholders. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution.

If in the future, we in-license any patent rights, we may not have the right to file a lawsuit for infringement and may have to rely on a licensor to enforce these rights for us. If we are not able to directly assert our licensed patent rights against infringers or if a licensor does not vigorously prosecute any infringement claims on our behalf, we may have difficulty competing in certain markets where such potential infringers conduct their business, and our commercialization efforts may suffer as a result.

Concurrently with an infringement litigation, third parties may also be able to challenge the validity of our patents before administrative bodies in the United States or abroad. Such mechanisms include re-examination, post grant review and equivalent proceedings in foreign jurisdictions, e.g., opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our products, potentially negatively impacting any concurrent litigation.

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

Our commercial success depends, in part, on our ability to develop, manufacture, market and sell our genome editing systems without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties. However, our research, development and commercialization activities may be subject to claims that we infringe, misappropriate or otherwise violate patents or other intellectual property rights owned or controlled by third parties. Third parties may have U.S. and non-U.S. issued patents and pending patent applications relating to compounds, methods of manufacturing compounds and/or methods of use for the treatment of the disease indications for which we are developing our genome editing systems. If any third-party patents or patent applications are found to cover our genome editing systems, or their methods of use or manufacture, we may not be free to manufacture or market such genome editing systems as planned without obtaining a license, which may not be available on commercially reasonable terms, or at all.

There is a substantial amount of intellectual property litigation in the biotechnology and pharmaceutical industries, and we may become party to, or threatened with, litigation or other adversarial proceedings regarding intellectual property rights with respect to our genome editing systems, including patent infringement lawsuits in the U.S. or abroad. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the composition, use or manufacture of our genome editing systems. Third parties may assert infringement claims against us based on existing patents that they own or in-license or patents that may grant to them (or which they may in-license) in the future, regardless of the merit of such patents or infringement claims. If our defenses to such assertions of infringement were unsuccessful, we could be liable for a court-determined reasonable royalty on our existing sales and further damages to the patent owner (or licensee), such as lost profits. Such royalties and damages could be significant. If we are found to have willfully infringed the claims of a third party's patent, the third party could be awarded treble damages and attorney's fees. Further, unless we obtain a license to such patent, we may be precluded from commercializing the infringing genome editing system. Any of the aforementioned could have a material adverse effect on our business, financial condition, results of operations and prospects.

While we perform periodic searches for relevant patents and patent applications with respect to our genome editing systems, including Cas proteins and therapeutic applications, we cannot guarantee the completeness or thoroughness of any of our patent searches or analyses including, but not limited to, the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, nor can we be certain that we have identified each and every patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of any of our genome editing systems in any jurisdiction. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that any of our genome editing systems may be accused of infringing. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Accordingly, third parties may assert infringement claims against us based on intellectual property rights that exist now or arise in the future. The outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance. The pharmaceutical and biotechnology industries have produced a significant number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use or manufacture. The scope of protection afforded by a patent is subject to interpretation by the courts, and the interpretation is not always uniform. If we were sued for patent infringement, we would need to demonstrate that the relevant product or methods of using the product either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving invalidity is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could significantly harm our business and operating results. In addition, 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, and we may not have sufficient resources to bring these actions to a successful conclusion.

Numerous third-party U.S. and foreign issued patents and pending patent applications exist in the fields in which we are developing genome editing systems. Our genome editing systems make use of CRISPR-based technology, which is a field that is highly active for patent filings and complex litigation. As of July 2025, it was reported that approximately 21,000 patent families worldwide cover CRISPR related inventions and their uses. That number has continued to increase. The extensive patent filings related to CRISPR make it difficult for us to assess the full extent of relevant patents and pending applications that may cover our genome editing systems and their use or manufacture. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our genome editing systems. We are aware of multiple patents and patent applications directed to CRISPR technologies, Cas molecules, and their uses in genome editing. For example, we are aware of patent portfolios related to CRISPR/Cas genome editing systems that are owned or co-owned by Sigma Aldrich, Stanford University and Agilent Technologies, the Broad Institute and/or Harvard University and/or the Massachusetts Institute of Technology ("MIT"), and Targetgene Biotechnologies. We are also aware of patent portfolios related to base editing systems that are owned or co-owned by Beam Therapeutics, the Broad Institute and/or Harvard University and/or MIT, the University of California, Duke University, Kobe University, the Max Planck Institute, Wageningen University, ASC Therapeutics Inc, CRISPR Therapeutics, Bayer Healthcare LLC, Board of Regents of The University of Texas System and Bioray Laboratories. We are also aware of patent portfolios related to CRISPR associated transposase/retro-transposase ("CAST") systems that are owned or co-owned by the Broad Institute, Arbor Biotechnologies, and the University of Rochester.

Intellectual property litigation is common in the biotechnology space and multiple parties have engaged in litigation to protect and enforce their CRISPR/Cas related patent estates. For example, patents and patent applications directed to catalytically-active Cas9 systems have been the subject of extensive adversarial patent office proceedings. These proceedings include USPTO Patent Trial and Appeal Board ("PTAB") proceedings involving the Broad Institute and the University of California regarding the priority of inventions with respect to certain U.S. patents and patent applications each owns directed to catalytically-active Cas9. Our genome editing technologies do not use catalytically-active Cas9 and we are not aware of any valid third-party patents or patent applications that we believe cover our Cas-related genome editing system and proprietary technology. However, we may not have identified all relevant third-party patents and patent applications. Therefore, there can be no assurance that third parties will not assert patents against us in the future or that our patents and patent applications will not be challenged. Any litigation brought against us or our patents or patent applications, even if meritless, could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are found to infringe, misappropriate or otherwise violate a third party's intellectual property rights, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing product. Alternatively, we may be required to obtain a license from such third party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing product. If we were required to obtain a license to continue to manufacture or market the affected product, we may be required to pay substantial royalties or grant cross-licenses to our patents. Even if we were able to obtain a license, it could be nonexclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us. We cannot assure you that any such license will be available on acceptable terms, if at all.

Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations as a result of claims of patent infringement or violation of other intellectual property rights, Further, the outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance, including the demeanor and credibility of witnesses and the identity of any adverse party. This is especially true in intellectual property cases that may turn on the testimony of experts as to technical facts upon which experts may reasonably disagree. Furthermore, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us; alternatively or additionally it could include terms that impede or destroy our ability to compete successfully in the commercial marketplace. In addition, 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. A finding of infringement could prevent us from commercializing a product or force us to cease some of our business operations, which could harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. 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.

Others may challenge inventorship or claim an ownership interest in our intellectual property which could expose it to litigation and have a significant adverse effect on its prospects.

Determinations of inventorship can be subjective. While we undertake to accurately identify correct inventorship of inventions made on our behalf by our employees, consultants and contractors, an employee, consultant or contractor may disagree with our determination of inventorship and assert a claim of inventorship. Any disagreement over inventorship could result in our being forced to defend our determination of inventorship in a legal action which could result in substantial costs and be a distraction to our senior management and scientific personnel.

While we typically require employees, consultants and contractors who may develop intellectual property on our behalf to execute agreements assigning such intellectual property to us, we may be unsuccessful in obtaining execution of assignment agreements with each party who in fact develops intellectual property that we regard as our own. Moreover, even when we obtain agreements assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached. In either case, 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. Furthermore, individuals executing agreements with us may have preexisting or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. If we are unsuccessful in obtaining assignment agreements from an employee, consultant or contractor who develops intellectual property on our behalf, the employee, consultant or contractor may later claim ownership of the invention. Any disagreement over ownership of intellectual property could result in our losing ownership, or exclusive ownership, of the contested intellectual property, paying monetary damages and/or being enjoined from clinical testing, manufacturing and marketing of the affected product candidate(s). Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our senior management and scientific personnel.

We may be subject to claims by third parties asserting that our employees or we have misappropriated their intellectual property or claiming ownership of what we regard as our own intellectual property.

Many of our current and former employees and our licensors' current and former employees, including our senior management, were previously employed at universities or at other biotechnology or pharmaceutical companies, including some which may be competitors or potential competitors. Although we take commercially reasonable steps to ensure that our employees do not use the proprietary information, know-how or trade secrets of others in their work for us, including incorporating such intellectual property into our genome editing systems, we may be subject to claims that we or these employees have misappropriated the intellectual property of a third party.

If we or any of our employees are accused of misappropriating the proprietary information, know-how or trade secrets of a third party, we may be forced to defend such claims in litigation. If we are found to have misappropriated the intellectual property rights of a third party, we may be forced to pay monetary damages, sustain reputational damage, lose key personnel, or lose valuable intellectual property rights. Further, it may become necessary for us to obtain a license from such third party to commercialize any of our genome editing systems. Such a license may not be available on commercially reasonable terms or at all. Any of the aforementioned could materially affect the commercialization of any of our genome editing systems. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

We consider proprietary trade secrets or confidential know-how and unpatented know-how to be important to our business. We may rely on trade secrets or confidential know-how to protect our technology, especially where patent protection is believed by us to be of limited value. We expect to rely on third parties for future manufacturing of our genome editing systems, and any future genome editing systems. We also expect to collaborate with third parties on the development of our genome editing systems and any future genome editing systems. As a result of the aforementioned collaborations, we must, at times, share trade secrets with our collaborators. We also conduct joint research and development programs that may require us to share trade secrets under the terms of our research and development partnerships or similar agreements.

Trade secrets or confidential know-how can be difficult to maintain as confidential. To protect this type of information against disclosure or appropriation by competitors, our policy is to require our employees, consultants, contractors and advisors to enter into confidentiality agreements and, if applicable, material transfer agreements, consulting agreements or other similar agreements with us prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, including our trade secrets. However, current or former employees, consultants, contractors and advisers may unintentionally or willfully disclose our confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. The need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have an adverse effect on our business and results of operations. Enforcing a claim that a third party obtained illegally and is using trade secrets or confidential know-how is expensive, time consuming and unpredictable. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors and consultants to publish data potentially relating to our trade secrets, although our agreements may contain certain limited publication rights. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements with third parties, independent development or publication of information by any of our third-party collaborators. A competitor's discovery of our trade secrets would impair our competitive position and have an adverse impact on our business.

We may need to acquire or license additional intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.

A third party may hold intellectual property, including patent rights that are important or necessary to the development of our genome editing systems. It may be necessary for us to use the patented or proprietary technology of one or more third parties to commercialize our current and future product candidates.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development. If we are unable to acquire such intellectual property outright, or obtain licenses to such intellectual property from such third parties when needed or on commercially reasonable terms, our ability to commercialize our genome editing systems, if approved, would likely be delayed or we may have to abandon development of that product genome editing systems or program and our business and financial condition could suffer.

If we in-license additional genome editing systems in the future, we might become dependent on proprietary rights from third parties with respect to those genome editing systems. Any termination of such licenses could result in the loss of significant rights and would cause material adverse harm to our ability to develop and commercialize any genome editing systems subject to such licenses. Even if we are able to in-license any such necessary intellectual property, it could be on nonexclusive terms, including with respect to the use, field or territory of the licensed intellectual property, thereby giving our competitors and other third parties access to the same intellectual property licensed to us. In-licensing IP rights could require us to make substantial licensing and royalty payments. Patents licensed to us could be put at risk of being invalidated or interpreted narrowly in litigation filed by or against our licensors or another licensee or in administrative proceedings. If any in-licensed patents are invalidated or held unenforceable, we may not be able to prevent competitors or other third parties from developing and commercializing competitive products.

We may not have the right to control the prosecution, maintenance, enforcement or defense of patents and patent applications that we license from third parties. In such cases, we would be reliant on the licensor to take any necessary actions. We cannot be certain that such licensor would act with our best interests in mind, or in compliance with applicable laws and regulations, or that their actions would result in valid and enforceable patents. For example, it is possible that a licensor's actions in enforcing and/or defending a patent licensed by use may be less vigorous than had we conducted them ourselves. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Disputes may also arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our financial or other obligations under the license agreement;
- whether and the extent to which our technology and processes infringe intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;
- our diligence obligations with respect to the use of licensed technology in relation to our development and commercialization of our genome editing systems and what activities satisfy those diligence obligations;
- the 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.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected genome editing systems.

The risks described elsewhere pertaining to our intellectual property rights also apply to the intellectual property rights that we may own or in-license now or in the future, and any failure by us or our licensors to obtain, maintain, defend and enforce these rights could have an adverse effect on our business. In some cases we may not have control over the prosecution, maintenance or enforcement of the patents that we license, and may not have sufficient ability to provide input into the patent prosecution, maintenance and defense process with respect to such patents, and potential future licensors may fail to take the steps that we believe are necessary or desirable in order to obtain, maintain, defend and enforce the licensed patents.

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

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We rely on both registration and common law protection for our trademarks. As a means to enforce our trademark rights and prevent infringement, we may be required to file trademark claims against third parties or initiate trademark opposition proceedings. This can be expensive and time-consuming, particularly for a company of our size. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long-term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancelation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings.

Moreover, any name we propose to use for our products in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA objects to any of our proposed product names, we may be required to expend significant additional resources in an effort to identify a usable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

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

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

- others may be able to make products that are competitive to our genome editing systems or any of our future genome editing systems but that are not covered by the claims of our patent portfolio;
- others may independently develop similar or alternative technologies or otherwise circumvent any of our technologies without infringing our patent portfolio;
- we or any of our collaborators might not have been the first to invent the inventions covered by our patent portfolio;
- we or any of our collaborators might not have been the first to file patent applications covering certain of the patents or patent applications that we or they own or have obtained a license, or will own or will have obtained a license;
- it is possible that our pending patent applications or those that we may file in the future will not lead to issued patents;
- others may have access to the same intellectual property rights licensed to us on a non-exclusive basis in the future;
- issued patents that we own may not provide us with any competitive advantage, or may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights, or in countries where research and development safe harbor laws exist, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- ownership of our patent portfolio may be challenged by third parties;
- the patents of third parties or pending or future applications of third parties, if issued, may have an adverse effect on our business;
- patent enforcement is expensive and time-consuming and difficult to predict; thus, we may not be able to enforce any of our patents against a competitor; and
- we may choose not to file a patent application for certain inventions, instead choosing to rely on trade secret protection, and a third party may subsequently file a patent covering such intellectual property.

Risks Related to our Common Stock, and Operating as a Public Company

The market price of our common stock has been, and may continue to be, volatile, which could result in substantial losses for investors.

The market price for our common stock may be influenced by those factors discussed in this “Risk Factors” section and many others, some of which may include:

- the success of existing or new competitive product candidates or technologies;
- the timing and results of preclinical studies and clinical trials for any product candidates we may develop;
- failure or discontinuation of any of our development and research programs;
- results of any preclinical studies, clinical trials or regulatory approvals of product candidates of our competitors, or announcements about new research programs or product candidates of our competitors;
- developments or changing views regarding the use of genetic therapies, including those that involve genome editing;
- commencement or termination of collaborations for our product development and research programs;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other intellectual property or proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our research programs, clinical development programs or product candidates that we may develop;
- the results of our efforts to develop product candidates;

- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts, if any, that cover our stock;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or other stockholders, including under our ATM Sales Agreement with Jefferies;
- expiration of market stand-off or lock-up agreements;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- the outcome of any pending or future litigation;
- general economic, industry and market conditions, such as those arising from U.S.-China relations, interest rate fluctuations and inflation or deflation;
- global health pandemics, epidemics or outbreaks of a contagious illness;
- geopolitical tensions or the outbreak of hostilities or war, including from the ongoing Russia-Ukraine conflict, the current conflicts in Iran and the Middle East (including any escalation or expansion), the current conflict in Venezuela and increasing tensions between China and Taiwan; and
- the other factors described in this "Risk Factors" section.

In recent years, the stock market in general and the market for pharmaceutical and biotechnology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. In particular, in relation to uncertainty around inflation and the U.S. Federal Reserve's measures to slow inflation, the stock market has been exceptionally volatile. Market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. Following periods of such volatility in the market price of a company's securities, securities class action litigation has often been brought against that company.

We are currently, and may in the future be, subject to securities litigation, which is expensive and could divert management attention. This lawsuit, and potential similar or related lawsuits, could result in substantial damages, divert management's time and attention from our business, and have a material adverse effect on our financial position, results of operations or cash flows.

Securities-related class action lawsuits and/or derivative lawsuits have often been brought against companies, including pharmaceutical and biotechnology companies, that experience volatility in the market price of their securities. This risk is especially relevant for us because we often experience significant stock price volatility in connection with our development programs.

On September 26, 2024, a class action complaint was filed in the U.S. District Court for the Northern District of California against our company and certain of our officers and certain of our current and former directors, captioned Vreeland v. Metagenomi Inc. et al., No. 5:24-cv-06765 (the "Securities Action"). The Securities Action alleges violations of Section 11 of the Securities Act against all defendants and control person violations of Section 15 against the individuals. The Securities Action alleges that the defendants made misleading statements and omitted to disclose material information concerning our collaboration with Moderna in our registration statement and final prospectus materials filed in January 2024 and February 2024. The Securities Action seeks, among other things, compensatory damages as well as costs and expenses, including attorneys' fees and expert fees. On February 10, 2025, the court appointed Mingxi Bi as lead plaintiff, and the lead plaintiff filed an amended complaint on April 4, 2025. On May 16, 2025, all defendants filed a motion to dismiss the claims of the Securities Action. On March 24, 2026, the Court granted-in-part and denied-in-part defendants' motion to dismiss. On May 27, 2026, Defendants answered the operative complaint. The case is currently in discovery. We intend to defend vigorously against this litigation.

At this time, no assessment can be made as to the likely outcome, therefore we cannot determine the likelihood of loss, if any, nor estimate a range of possible loss. We may also become subject to additional securities class action lawsuits in the future. The cost of defending against these types of claims against us or the ultimate resolution of such claims, whether by settlement or adverse court decision, may harm our business. Further, potential claimants may be encouraged to bring lawsuits based on a settlement from us or adverse court decisions against us. We cannot currently assess the likely outcome of such suits, but the commencement and/or resolution of such suits (particularly if the outcome were negative), could have a material adverse effect on our reputation, financial position, results of operations and cash flows. They could also cause a decline in the market price of our common stock.

We have incurred, and continue to incur, increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an "emerging growth company," we have incurred, and continue to incur, significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002 ("SOX"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Select Market 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. We expect that we will need to hire additional accounting, finance and other personnel in connection with our efforts to comply with the requirements of being a public company. Our management and other personnel will need to devote a substantial amount of time towards maintaining compliance with these requirements. These requirements will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that the rules and regulations applicable to us as a public company may make it more difficult and more expensive for us to obtain director and officer liability insurance, which could make it more difficult for us to attract and retain qualified members of our Board. We are currently evaluating these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. 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.

Pursuant to SOX Section 404, we are required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with SOX Section 404 within the prescribed period, we have been engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources and engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that in the future we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by SOX Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

We do not know whether a market will be sustained for our common stock or what the market price of our common stock will be, and, as a result, it may be difficult for you to sell your shares of our common stock.

Although our common stock is listed on the Nasdaq Global Select Market, an active or liquid market in our common stock may not be sustained. If a market for our common is not sustained, it may be difficult for you to sell your shares of common stock at an attractive price or at all. We cannot predict the prices at which our common stock will trade. It is possible that in one or more future periods our results of operations may be below the expectations of public market analysts and investors, and, as a result of these and other factors, the price of our common stock may fall.

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 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.

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

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

We may offer and sell up to $75.0 million of shares of our common stock from time to time pursuant to the ATM Sales Agreement that we have entered into with Jefferies. As of June 30, 2026, we have not sold any shares of our common stock pursuant to the ATM Sales Agreement. Depending on market liquidity at the time, sales of our common stock pursuant to the ATM Sales Agreement may cause the trading price of our common stock to decline.

As of June 30, 2026, 37,777,105 shares of our common stock were outstanding. Shares of unvested restricted common stock will become available for sale immediately upon the vesting of such shares, as applicable, and the expiration of any applicable market stand-off or lock-up agreements. Shares issued upon the exercise of stock options pursuant to future awards that may be granted under our equity incentive plans or pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by the provisions of applicable vesting schedules, any applicable market stand-off and lock-up agreements and Rule 144 and Rule 701 under the Securities Act.

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

We are an "emerging growth company" and a "smaller reporting company," and the reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies may 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 (the "JOBS Act"), and may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of SOX Section 404, not being required to comply with any requirement for a supplement to the auditor's report providing additional information about the audit and the financial statements, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide stockholders is different than the information that is available with respect to other public companies.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company 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 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.

We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Insiders have substantial influence over us, which could limit your ability to affect the outcome of key transactions, including a change of control.

Our directors and executive officers and their affiliates beneficially own a significant amount of our outstanding common stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents or approval of any merger, sale of assets or other major corporate transaction. This concentration of ownership may have the effect of delaying or preventing a change in control of our company and might affect the market price of our common stock.

We do not expect to pay any dividends for the foreseeable future. Investors may never obtain a return on their investment.

You should not rely on an investment in our common stock to provide dividend income. We do not anticipate that we will pay any dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our existing operations. In addition, any future credit facility may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any return on their investment. As a result, investors seeking cash dividends should not purchase our common stock.

If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Pursuant to SOX Section 404, we are required to provide a management report on internal control over financial reporting.

Implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to modify our existing processes and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy or consequent inability to produce accurate financial statements on a timely basis could increase our operating costs and harm our business. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis cause investors to lose confidence in the accuracy and completeness of our financial reports and could cause the market price of our common stock to decline significantly.

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

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

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

Our second amended and restated bylaws designate specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us.

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

We recognize that the Delaware Forum Provision and the Federal Forum Provision in our second amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware. Additionally, the forum selection clauses in our second amended and restated bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Provisions in our amended and restated certificate of incorporation, as amended, and second amended and restated bylaws and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation, as amended, and second amended and restated bylaws and Delaware law contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. Our amended and restated certificate of incorporation, as amended, and second amended and restated bylaws include provisions that:

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

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

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

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

Adverse developments affecting the financial services industry could adversely affect our current and projected business operations and our financial condition and results of operations.

Adverse developments that affect financial institutions, such as events involving liquidity that are rumored or actual, have in the past and may in the future lead to bank failures and market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. Similarly, on March 12, 2023, Signature Bank was also swept into receivership. The U.S. Department of Treasury, the Federal Reserve Board (the "Federal Reserve"), and the FDIC released a statement that indicated that all depositors of SVB would have access to all of their funds, including funds held in uninsured deposit accounts, after only one business day of closure. The U.S. Department of Treasury, FDIC and Federal Reserve have announced a program to provide up to $25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediately liquidity may exceed the capacity of such program. There is no guarantee, however, that the U.S. Department of Treasury, FDIC and Federal Reserve will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions, or that they would do so in a timely fashion.

Following SVB's failure, we have diversified our cash deposit holdings between multiple financial institutions, and we have not experienced any adverse impact to our current and projected business operations, financial condition or results of operations as a result of the closure of SVB or any other banks. However, uncertainty remains over liquidity concerns in the broader financial services industry, and our business, our business partners, or industry as a whole may be adversely impacted in ways that we cannot predict at this time. If, for example, other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and available-for-sale marketable securities may be threatened.

Although we expect to assess our banking relationships as we believe necessary or appropriate, our access to cash in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect the financial institutions with which we have banking relationships, and in turn, us.

These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could also include factors involving financial markets or the financial services industry generally. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets; or termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

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

In addition, one or more of our critical vendors, third party manufacturers, or other business partners could be adversely affected by any of the liquidity or other risks that are described above, which in turn, could have a material adverse effect on our current and/or projected business operations and results of operations and financial condition. Any business partner bankruptcy or insolvency, or any breach or default by a business partner, or the loss of any significant supplier relationships, could result in material adverse impacts on our current and/or projected business operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

There have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board since the Company last provided disclosure in response to the requirements of Item 407(c)(3) of Regulation S-K.

During the quarter ended June 30, 2026, no director or "officer" of the Company, as defined in Rule 16a-1(f) under the Exchange Act, adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

EXHIBIT INDEX

Exhibit Number	Description	Incorporation By Reference			
		Form	File Number	Exhibit Number	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	8-K	001-41949	3.1	02/13/2024
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Registrant.	8-K	001-41949	3.1	01/12/2026
3.3	Second Amended and Restated Bylaws.	8-K	001-41949	3.2	01/12/2026
10.1*	Sublease Agreement between The Purple Mixer, Inc., dba Miss Jones Baking Co., and Metagenomi Therapeutics, Inc., dated April 8, 2026				
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document				
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				

* Filed herewith

** Furnished herewith

† Portions of this exhibit (indicated by asterisks) have been omitted in accordance with the rules of the SEC because the Registrant has determined that information is both not material and is the type that the Registrant treats as private and confidential.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Metagenomi Therapeutics, Inc.

Date: August 10, 2026

By: /s/ Jian Irish
Jian Irish, Ph.D., M.B.A.
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 10, 2026

By: /s/ Pamela Wapnick
Pamela Wapnick, M.B.A.
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

SUBLEASE

BASIC SUBLEASE INFORMATION

Effective Date:	April 8th, 2026
Sublandlord:	Metagenomi Therapeutics, Inc. a Delaware corporation
Sublandlord's Address For Notice:	Metagenomi Therapeutics, Inc. 5959 Horton Street, 7th Floor Emeryville CA 94608 Attn: Chief Financial Officer
With a copy to:	legal@metagenomi.co
Sublandlord's Address for Payment of Rent:	ACH/EFT Payments: Bank Name: JP Morgan Chase Address: 383 Madison Ave., New York, NY 10179 Account Name: Metagenomi Therapeutics, Inc. Account Number: 959785889 ABA: 322271627
Subtenant:	The Purple Mixer, Inc. dba Miss Jones Baking Co.
Subtenant's Address for Notice:	500 Tamal Plaza, Ste 520 Corte Madera, CA 94925 Attn: Sarah Jones
Master Landlord:	Park Avenue Building, LLC
Building Address:	1485 Park Avenue Emeryville CA 94608
Subleased Premises:	Approximately eight thousand, four hundred and sixty-five (8,465) rentable square feet located within the Building, comprising the large kitchen area on the first floor and the entirety of the second floor of the Building, as generally shown in **Exhibit A**. This is calculated as 36.56% of the Building.
Commencement Date:	The later to occur of: (a) April 1, 2026, and (b) the date that the Sublease Contingency is satisfied, subject to Section 2 below.
Expiration Date:	November 30, 2030

Sublease Term:	A period of approximately fifty-six (56) months beginning on the Commencement Date and ending on the Expiration Date.

Base Rent:

Period	Annual Base Rent
Commencement Date to March 31, 2027	$228,000.00
April 1, 2027 to March 31, 2028	$234,840.00
April 1, 2028 to March 31, 2029	$241,885.20
April 1, 2029 to March 31, 2030	$249,141.76
April 1, 2030 to November 30, 2030	$171,077.34

Security Deposit:	$64,154.00, subject to paragraph 4(d) below.
Prepaid Rent:	Base Rent for first full calendar month of Sublease Term ($19,000.00) shall be paid upon execution of this Sublease.
Sublandlord's Broker:	Conor Ranahan, Eric Bluestein and Bill Benton of Newmark
Subtenant's Broker:	Annie Prupas and Jessica Birmingham of RetailWest
Permitted Use:	General office use, ancillary kitchen and other legally permitted uses that are compatible with the Building, subject to all applicable laws, including zoning.

Exhibits:

A.	Outline of Subleased Premises
B.	Master Lease
C.	Sublease Commencement Memorandum
D.	MGX FF&E
E.	R&D Kitchen Fixtures

THIS SUBLEASE (this "Sublease"), dated as of the Effective Date, by and between Sublandlord and Subtenant.

RECITALS

WHEREAS, Master Landlord, as landlord, and Sublandlord, as tenant, are parties to that certain lease commencing on November 1, 2021 (the "***Master Lease***"), pursuant to which Master Landlord lease to Sublandlord the Subleased Premises. A copy of the redacted Master Lease is attached to this Sublease as **Exhibit B**.

WHEREAS, the parties hereto desire that Sublandlord sublet to Subtenant, and Subtenant sublet from Sublandlord the Subleased Premises on all of the terms and conditions of this Sublease. Capitalized terms used herein shall have the meanings given such terms in the Master Lease, unless otherwise defined herein or within the Basic Sublease Information.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Sublease**. Sublandlord does hereby sublet to Subtenant and Subtenant does hereby sublet from Sublandlord the Subleased Premises, subject to the terms, provisions, and conditions of this Sublease. Subtenant hereby acknowledges the rentable square footage of the Subleased Premises set forth above in the Basic Sublease Information, and Subtenant accepts and agrees that, for all purposes in this Sublease, such amount is not approximate and agrees to be bound by such figure.

2. **Sublease Contingency; Sublease Term**

a. **Sublease Contingency**. Sublandlord and Subtenant expressly acknowledge and agree that this Sublease is subject to the following contingency (the "***Sublease Contingency***"): Master Landlord's prior written consent to this Sublease, in a form provided by Master Landlord and reasonably acceptable to Sublandlord and Subtenant (collectively, the "***Master Landlord's Consent***"). Subtenant agrees to cooperate in all reasonable respects in connection with obtaining the Master Landlord's Consent. If Sublandlord, despite the parties' good faith efforts, fails to obtain the Master Landlord's Consent within thirty (30) days after the Effective Date, then either Sublandlord or Subtenant may terminate this Sublease by giving written notice thereof to the other at any time prior to receipt of the Master Landlord's Consent. If either party terminates this Sublease pursuant to the immediately preceding sentence, then notwithstanding anything to the contrary set forth herein, this Sublease shall be null and void, of no force or effect, and Sublandlord shall within thirty (30) days after notice of termination is given, return to Subtenant the Prepayment (defined in Section 4 below) to the extent actually delivered by Subtenant to Sublandlord. The return of such sums paid by Subtenant shall be Subtenant's sole and exclusive remedy in the event of a termination pursuant to this Section 2(a). Furthermore, neither party shall have any liability to the other for any termination or cancellation of this Sublease if Master Landlord's Consent is not obtained.

b. **Sublease Term**. The Sublease Term shall commence on the Commencement Date and shall continue in full force and effect for the period of time specified as the Sublease Term in the Basic Sublease Information; provided, however, that in no event shall the Sublease Term extend beyond the term of the Master Lease. Sublandlord and Subtenant shall complete and execute a "***Sublease Commencement Memorandum***" substantially in the form attached hereto as **Exhibit C**, confirming, among other things, the Commencement Date for the Sublease. Failure to execute and deliver such Sublease Commencement Memorandum, however, shall not affect the Commencement Date or Subtenant's liability hereunder. Subtenant shall have no right whatsoever pursuant to this Sublease to extend the Sublease Term for the Subleased Premises, and Subtenant acknowledges and agrees that this Sublease does not incorporate by reference or include any right of Sublandlord in the Master Lease to extend the term of the Master Lease.

3. **Delivery and Condition**

a. **As-Is**. Subtenant shall accept the Subleased Premises in its "AS IS, WHERE IS, WITH ALL FAULTS" condition; subject to any express representations and warranties herein, and provided, however, the Subleased Premises shall be in broom clean condition with Sublandlord's furniture, fixtures and equipment ("***MGX FF&E***") remaining. Such MGX FF&E is generally described on **Exhibit D**, attached hereto and incorporated by reference, which the parties acknowledge is not an itemized or absolute description and will be used by the parties only as a guide. Within thirty (30) days after the Commencement Date, Subtenant shall provide Sublandlord with notice listing any MGX FF&E that Subtenant does not require and, within a commercially reasonable time following receipt of such notice, Sublandlord shall remove any unwanted MGX FF&E from the Subleased Premises. Upon the expiration of the Sublease, Subtenant shall have the right but not the obligation to purchase the MGX FF&E. Subtenant acknowledges that except as expressly set forth in this Sublease (i) Sublandlord has made no representations of any kind in favor of Subtenant, including, without limitation, in connection with improvements or physical conditions on, or bearing on, the use of the MGX FF&E, the Subleased Premises, and/or the Building, and Subtenant waives any implied warranty with respect to such matters and otherwise; and (ii) Sublandlord shall have no obligation to perform any improvements, alterations, or other work to the Subleased Premises, or provide Subtenant with any improvement allowance with respect to the Subleased Premises. Except as expressly set forth herein, by taking possession of the Subleased Premises, Subtenant accepts the Subleased Premises in the condition provided for in this Section and waives all claims of defect in or relating to the Subleased Premises.

b. **R&D Kitchen**. Subtenant acknowledges and agrees that it has been provided a full and fair opportunity to inspect, test, and verify the operational status of all fixtures and infrastructure within the large kitchen area on the first floor of the Building (the "***R&D Kitchen***"). By executing this Sublease, Subtenant stipulates that: (i) except as set forth in that certain Equipment & Facility Due Diligence Report dated March 30, 2026, ("the ***Report***") a copy of which has been provided to Sublandlord, all R&D Kitchen Fixtures, including but not limited to the exhaust hoods and ventilation systems, dishwasher, refrigeration units, and cold rooms, are in good working order, fully operational, and fit for Subtenant's intended use, (ii) all floor drains, grease traps, and plumbing lines are free of

obstructions and functioning according to their designed capacity, and (iii) any specialized climate or temperature-controlled zones have been verified to hold the required temperatures. Sublandlord did not commission the generation of the Report and Sublandlord does not endorse any of the conclusions within the Report. Except as expressly set forth in this Sublease, Sublandlord makes no representations or warranties, express or implied, regarding the condition, suitability, or performance of the R&D Kitchen Fixtures. Subtenant accepts the R&D Kitchen and all associated R&D Kitchen Fixtures in its "AS-IS, WHERE-IS" condition, with all faults.

c. **Delivery**. Notwithstanding anything to the contrary contained in this Sublease or otherwise, Sublandlord shall have no obligation to deliver possession of the Subleased Premises to Subtenant unless and until (i) the Sublease Contingency has been met; (ii) the Commencement Date has occurred; and (iii) Subtenant has delivered all of the following to Sublandlord as of the Effective Date: (w) the Prepayment; and (x) the Insurance Certificate (defined in Section 12 below. Subtenant agrees that in the event that Sublandlord fails to deliver possession of the Subleased Premises on the anticipated Commencement Date for any reason, it will not be a default and Sublandlord shall not be liable for any damage resulting therefrom.

4. **Rent**.

a. **Terms of Payments**. Subtenant shall pay to Sublandlord, at Sublandlord's Address for Payment of Rent designated in the Basic Sublease Information, or as otherwise directed by Sublandlord, Base Rent, and Additional Rent (defined below), without notice, demand, offset or deduction, in advance, on the first day of each calendar month, except as otherwise expressly set forth in this Sublease. All payments required to be paid by Subtenant to Sublandlord shall be made in federal funds by electronic fund transfer (EFT) or Automated Clearing House (ACH) (or to such other party or at such location as Sublandlord may otherwise from time to time specify in writing) before 11:00 a m. Pacific Time. If the Sublease Term commences (or ends) on a date other than the first (or last) day of a month, Rent shall be prorated on the basis of a thirty (30) day month. Subtenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except as may be expressly provided in this Sublease.

b. **Additional Rent**. All sums due from Subtenant to Sublandlord or to any third party under the terms of this Sublease (other than Base Rent) shall be additional rent ("***Additional Rent***"). Additional Rent shall include, without limitation, (i) Subtenant's proportionate share of increases in Operating Expenses over the Base Year, as defined in the Master Lease ("***Subtenant's Share***"), (ii) amounts recoverable due to a failure of performance by Subtenant under this Sublease; and (iii) any other costs or expenses due from Subtenant to Sublandlord under this Sublease. Sublandlord may equitably increase Subtenant's Share for any item of expense or cost reimbursable by Subtenant that relates to an item of maintenance, repair, replacement, or service that benefits only the Subleased Premises. All Additional Rent that is payable to Sublandlord shall be paid at the time, place, and manner as Base Rent pursuant to Section 4(a) above, unless this Sublease expressly provides otherwise. Sublandlord will have the same remedies for a default in the payment of any Additional Rent as for a default in the payment of Base Rent. Together, Base Rent,

Additional Rent and any other sums due hereunder from Subtenant are sometimes referred to in this Sublease as "***Rent***".

c. **Monies Due Upon Execution**. On or before the Effective Date, Subtenant shall pay to Sublandlord in cash, the Prepaid Rent and the Security Deposit (collectively, the "***Prepayment***").

d. **Security Deposit "Burn Off"**. Provided that Subtenant (i) is not in default under this Sublease beyond the applicable notice and cure period, (ii) there has been no default for the non-payment of Rent, (iii) has not caused any material damage to the Subleased Premises, and (iv) is Cash Flow Positive (defined below), the Security Deposit shall be reduced from $64,154.00 to $42,769.00, provided, however, the Burn Off shall not occur prior to the one-year anniversary of the Commencement Date. For purposes of this Sublease, "***Cash Flow Positive***" means that Subtenant has generated positive net cash flow from operations for four (4) consecutive calendar quarters, as evidenced by Subtenant's unaudited financial statements prepared in accordance with GAAP, delivered to Sublandlord within thirty (30) days following the end of the applicable quarter. Subtenant shall notify Sublandlord in writing upon believing it has satisfied the Cash Flow Positive condition and shall promptly provide reasonable supporting financial statements. Sublandlord shall have thirty (30) days following receipt of such statements to deliver a written objection with reasonable detail or refund $21,385.00 of the Security Deposit to Subtenant.

5. **Use; Compliance with Laws; Hazardous Materials**.

a. The Subleased Premises shall be used for the Permitted Use to the extent permitted by the Master Lease, in accordance with this Sublease, and for no other purpose. Subtenant shall use the Subleased Premises in compliance with all statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity, including, without limitation, all applicable federal, state and local laws or regulations governing protection of, damage to the environment, or the treatment, storage or disposal of hazardous materials, Environmental Laws, and any covenants, conditions and restrictions encumbering the Subleased Premises, and/or the Building (collectively referred to as "***Laws***") applicable Laws. Subtenant shall be responsible for obtaining any permit, business license, or other permits or licenses required by any governmental agency permitting Subtenant's use or occupancy of the Subleased Premises. Except as expressly set forth herein, Sublandlord makes no warranty or representation as to whether or not the Subleased Premises comply with applicable Laws and, except as expressly set forth herein, Sublandlord shall have no obligation to bring the Subleased Premises into compliance with applicable Laws, nor any such obligation with respect to the Building. In the event Subtenant's use of the Subleased Premises requires modifications or additions to the Subleased Premises, and/or the Building in order to be in compliance with applicable Laws, Subtenant agrees to make any such necessary modifications and/or additions at its sole cost and expense and in accordance with the terms of Section 8 herein.

b. Subtenant use, storage, transportation or disposal of any Hazardous Materials (as defined in the Master Lease) shall be subject to the terms and conditions of the Master

Lease incorporated herein. Subtenant hereby represents and warrants to Sublandlord that (i) neither Subtenant nor any of its legal predecessors has been required by any prior landlord, sublandlord, lender or governmental authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Subtenant or such predecessor, or resulted from Subtenant's or such predecessor's action or use of the property in question; and (ii) Subtenant is not subject to any enforcement order issued by any governmental authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any governmental authority). If Sublandlord determines that this representation and warranty was not true as of the date of this Sublease, Sublandlord shall have the right to terminate this Sublease in Sublandlords' sole and absolute discretion.

6. **Utilities and Services.**

a. Subtenant shall pay to Sublandlord, as Additional Rent, the following:

(i) Subtenant's Share of Operating Expenses which are payable by Sublandlord pursuant to Article 5 of the Master Lease; provided that no Additional Rent under this Section 6(a)(i) shall be due and payable by Subtenant for the period prior to the Commencement Date;

(ii) Subtenant's Share of water, sewer, gas, electricity, other utilities and utility-type services use on or provided to the Subleased Premises calculated as follows ("***Baseline of Utility Costs***"):

Monthly Billing @ 36.56%	**Jan - Mar**	**Apr - Jun**	**July - Sept**	**Oct - Dec**
East Bay Municipal Utility District	$292	$214	$358	$172
PG&E	$2,488	$1,790	$1,262	$1,509
Waste Management	$361	$361	$372	$372
Total	$3,141	$2,365	$1,992	$2,053

(iii) and Subtenant's Share of pest control and extermination fees which are payable by Sublandlord for the Building; provided, however, if the Subleased Premises or the Building become infested with vermin, as a result of the use or any misuse or neglect of the Subleased Premises by Subtenant, its agents, contractors, employees, subtenants, licensees, invitees or visitors, Subtenant shall at its sole cost and expense promptly cause the same to be exterminated from time to time to Sublandlord's satisfaction, or reimburse Sublandlord for any costs incurred for the extermination of same.

b. Sublandlord shall not be liable to Subtenant for interruption in or curtailment of any such utility or service, nor shall any such interruption or curtailment constitute constructive eviction or grounds for rental abatement. Notwithstanding the foregoing, if and to the extent Sublandlord is entitled to an abatement or reduction of rent under the Master Lease as a result of Master Landlord's failure to make repairs or supply services to the Subleased Premises, then Subtenant shall be entitled to a corresponding and equitably determined abatement of Fixed Rent and Additional Rent under this Sublease.

c. Notwithstanding the foregoing, with respect to the R&D Kitchen, Subtenant agrees to reimburse Sublandlord for any utility charges attributable to the R&D Kitchen that exceeds the Baseline of Utility Costs. Within thirty (30) business days following the end of each calendar quarter, the parties shall conduct a financial reconciliation ("***True-Up***") of actual operating costs incurred against the Baseline of Utility Costs. In the event the aggregate actual costs for the preceding quarter exceed the quarterly baseline, Subtenant shall be responsible for the difference which shall be paid as Additional Rent. Notwithstanding the True-Up described above, the parties agree to investigate any "***Extraordinary Charges***" occurring within the period. For the purposes of this Agreement, an Extraordinary Charge is defined as any cost increase exceeding 50% of the expected market rate or historical average (e.g., a sudden doubling of utility rates or force majeure-related surges). If an Extraordinary Charge is identified, the parties shall meet in good faith to determine a fair allocation of the cost.

d. Subtenant hereby waives the provisions of any applicable existing or future Laws permitting the termination of this Sublease due to an interruption, failure or inability to provide any services or utilities (including, without limitation, the provisions of California Civil Code Section 1932(1)).

e. To allow for compliance with building performance benchmarking and disclosure laws and regulations (including, but not limited to, compliance with California Public Resources Code §25402.10), Subtenant, promptly upon request, shall deliver to Sublandlord (or, at Sublandlord's option, execute and deliver to Sublandlord an instrument enabling Sublandlord to obtain from such provider) any data about Subtenant's utility consumption. Further, Subtenant authorizes Sublandlord and Master Landlord to disclose such information and data regarding the Subleased Premises as may be requested or required from time to time to comply with Laws and/or energy regulations.

f. **Garbage, Waste and Janitorial**. Subtenant shall provide for its own garbage and janitorial service, at its sole coast and expense. In addition, Subtenant shall be responsible for the collection, management, and lawful disposal of all compostable waste generated by its operations and activities within the Subleased Premises. Subtenant shall ensure that all such compostable waste is handled in a sanitary manner and complies with all applicable Laws. As of the Commencement Date, Subtenant is permitted to use the shared compost dumpster currently serving the Building. Subtenant's use of the shared dumpster is subject to any applicable rules and regulations and shall be in common with the Sublandlord's occupation of the Building. If Sublandlord reasonably determines that Subtenant's operations materially increase the volume of compostable waste such that: (i) the shared dumpster consistently reaches maximum capacity; or (ii) the shared dumpster is, in Sublandlord's reasonable discretion, no longer sufficient to serve the collective needs of the Building's occupants; Subtenant shall, upon written notice, be required to procure, maintain, and pay for additional composting dumpsters or alternative disposal services. Any such additional dumpsters shall be placed in a location designated by Sublandlord, and all costs associated with the equipment, pickup, and hauling shall be the sole financial responsibility of Subtenant.

g. **Subtenant's Share**. "***Subtenant's Share***" means, from time to time during the Sublease Term, the fraction (expressed as a percentage) having as its numerator the rentable square feet comprising the Subleased Premises (which is deemed to be 8,465 rentable square feet on the date hereof) and as its denominator the rentable square feet then comprising the Building (which is deemed to be 23,155 rentable square feet on the date hereof). As of the date hereof, Subtenant's Share is 36.56%.

7. **Maintenance and Repairs**.

a. Subtenant acknowledges and agrees that Master Landlord shall be responsible for the maintenance and repair obligations of the "Landlord" under the Master Lease. Subtenant shall look solely to Master Landlord for performance thereof. Subtenant hereby recognizes and agrees that all acknowledgements, reservations of rights, limitations on and waivers of liability, and rights to notice in favor of "Landlord" are incorporated into this Sublease in favor of Master Landlord and Sublandlord, as if the same were restated in this Sublease by Subtenant. In no event shall Sublandlord be obligated to undertake any maintenance, repair or replacement obligations that are otherwise the responsibility of Master Landlord or Subtenant, whether hereunder or under the Master Lease. Notwithstanding anything contained herein to the contrary, Sublandlord shall take all reasonable steps to assist Subtenant as Subtenant may from time to time request, at Subtenant's sole cost and expense and without liability to Sublandlord, in seeking services from Master Landlord that Master Landlord is responsible for under the Master Lease. Notwithstanding anything to the contrary contained herein, if any maintenance, repairs, or replacements are required to be made to the Subleased Premises, or the Building, due to the acts, omissions or negligence of Subtenant or any Subtenant Party (defined in Section 11 below), then such maintenance, repairs, or replacements shall be at Subtenant's sole cost and expense; provided, further, Subtenant shall be responsible for keeping and maintaining the Subleased Premises in good condition at its sole cost and expense except as explicitly set forth in the Master Lease or herein.

b. **R&D Kitchen Fixtures**. All fixtures in the R&D Kitchen, as set forth in **Exhibit E** annexed hereto (collectively, the "***R&D Kitchen Fixtures***") shall be used for their intended purpose and in accordance with the manufacturer's operating instructions. Subtenant agrees to: (i) ensure only trained personnel operate within the R&D Kitchen; and (ii) not modify, disable safety sensors, or otherwise change any of the R&D Kitchen Fixtures for experimental purposes without prior written consent from the Sublandlord which may be withheld at Sublandlord's sole discretion. Subtenant, at its sole expense, shall be responsible for the routine maintenance and care of all R&D Kitchen Fixtures. This includes, but is not limited to: (i) adhering to the manufacturer's suggested maintenance schedule (e.g., descaling, filter replacement, and gasket lubrication), and (ii) daily cleaning and sanitization of all food-contact surfaces in compliance with local health department standards. Subtenant is responsible for the cost of all repairs arising from its use of the R&D Kitchen. For repairs exceeding one thousand dollars ($1,000), Sublandlord shall be notified immediately. Subtenant shall ensure that the use of the R&D Kitchen does not exceed the electrical or plumbing capacity of the Building. Subtenant is responsible for: (i) ensuring no fats, oils, or experimental solids are disposed of via standard drains; and (ii)

weekly cleaning of grease filters and professional semi-annual duct cleaning if high-heat cooking or research and development is performed.

8. **Alterations**.

a. Any alterations, additions or improvements to the Subleased Premises by or for Subtenant (collectively referred to as "***Alterations***") shall require the prior written consent of Sublandlord, and Master Landlord. Alterations shall be subject to and made in accordance with the Master Lease. Upon the expiration or earlier termination of this Sublease, Subtenant shall remove any or all Alterations made or installed by, or on behalf of, Subtenant and restore the Subleased Premises to the condition required pursuant to Section 17 below; provided, however, (a) rights in favor of Master Landlord to retain, preserve, and/or leave in place all or any portion of such Alterations are incorporated into this Sublease in favor of Master Landlord, and Sublandlord, as if the same were restated in this Sublease by Subtenant; and (b) in the event of the exercise of such right, such items shall be and become the property of (as applicable) Sublandlord, or Master Landlord upon the expiration or earlier termination of this Sublease. Subtenant shall be solely responsible for the planning, permitting, construction and completion of any Alterations at Subtenant's sole cost and expense. Subtenant shall make all payments for Alterations in a timely manner so as not to permit any mechanic's or other liens to be placed upon the Subleased Premises in connection with any Alterations. Subtenant shall fully discharge any such lien within fifteen (15) days after the date of filing, and if Subtenant fails to do so, Sublandlord may take such action as may be necessary to remove such lien and Subtenant shall promptly pay Sublandlord such amounts expended by Sublandlord in connection therewith. Subtenant shall not damage or deface the furnishings, walls, floors, ceilings or other portions of the Subleased Premises. Any damage to the Subleased Premises, and/or the Building caused by Subtenant or a Subtenant Party shall be promptly repaired by Subtenant, to Sublandlord's and (if applicable) to Master Landlord's satisfaction, all at Subtenant's sole cost and expense. Any provision which permits Master Landlord to recover costs incurred in connection with reviewing and coordination of Alterations shall be construed as requiring Subtenant to pay such costs of Master Landlord, and Sublandlord.

b. Notwithstanding the foregoing, but subject to all of the terms and conditions of the Master Lease and approval from the Master Landlord and Sublandlord, Subtenant may install two (2) residential ovens and one (1) residential freezer in the R&D Kitchen.

c. Subject to receipt of all necessary consents and approvals of Master Landlord, Sublandlord shall construct a demising wall in the location identified in Exhibit A annexed hereto following the Commencement Date (the "**Demising Work**"). Notwithstanding the foregoing, prior to Sublandlord engaging any third-party to perform the Demising Work, Subtenant shall have an opportunity to review and approve any such third-party contract. Subtenant acknowledges that Subtenant may be in possession of the Subleased Premises during the performance of the Demising Work and that the Demising Work may cause interference with Subtenant's use or occupancy of, or access to, the Subleased Premises and agrees that the performance of the Demising Work shall not constitute an eviction of Subtenant, constructive or otherwise, or impose upon Sublandlord any liability whatsoever, including, but not limited to, liability for consequential damages or loss of business by

Subtenant, provided, however, Sublandlord shall use reasonable efforts to minimize such interference. Sublandlord shall not be required to perform the Demising Work after-hours or on weekends or engage overtime labor. Subtenant hereby assumes all risk to Subtenant's trade fixtures, fixtures and other personal property arising in connection with the performance of the Demising Work. Subtenant hereby releases Sublandlord, its agents, employees and contractors, from and against any claim, loss, cost or liability for damage to Subtenant's property or for injury to any persons or damage to or interference with Subtenant's use or occupancy of the Subleased Premises or conduct of business resulting or claimed to have resulted in connection with the Demising Work, except to the extent caused by Sublandlord's gross negligence or willful misconduct. Subtenant agrees to reimburse Sublandlord for Sublandlord's actual out-of-pocket costs and expenses associated with the Demising Work, without profit or mark-up, within thirty (30) days after receipt of a written notice thereof, such notice to contain reasonable back-up. Such costs may include the costs of any relevant permits needed for the Demising Work. The Parties agree that if the Demising Work is not feasible, Subtenant will install lockable barriers to prevent unauthorized access by Subtenant's personnel and guests to the second-floor stairwell and Sublandlord's lobby on the first floor of the Building. Subtenant shall be solely responsible for all costs and expenses associated with the installation of such barriers. If Master Landlord requires the Demising Work to be removed at the end of the Sublease Term, Subtenant shall remove the Demising Work and restore the applicable portion of the Building to the condition required pursuant to the Master Lease.

d. Subtenant shall install lockable barriers such as a door or gate to prevent unauthorized access by Subtenant's personnel and guests to the second-floor stairwell and Sublandlord's lobby on the first floor of the Building, as identified in **Exhibit A** annexed hereto. Such work is subject to prior written approval from the Sublandlord and Master Landlord in accordance with the terms of the Master Lease. Completion of such installation shall be no later than thirty (30) days following the Commencement Date. Subtenant shall be solely responsible for all costs and expenses associated with the installation of such barriers.

9. **Entry by Sublandlord or Master Landlord**.

a. Sublandlord, or Master Landlord shall have the right to enter the Subleased Premises at all reasonable times, upon reasonable prior notice for purposes of inspecting the Subleased Premises; to make repairs, alterations, improvements, or additions to the Subleased Premises; show the Subleased Premises to prospective purchasers and investors and existing and prospective lenders; and (if applicable), during the last nine (9) months of the Sublease Term, place signs for the rental of, and show the Subleased Premises to prospective tenants and/or subtenants. Subtenant acknowledges that any prior notice of entry into the Subleased Premises may be given orally; however, no notice shall be required in case of an emergency or other reasonably urgent circumstances.

b. **Sublandlord's Right of Entry and Inspection of R&D Kitchen**. Sublandlord and its authorized agents or contractors shall have the right to enter the Subleased Premises at all reasonable times, upon providing at least twenty-four (24) hours' prior notice (which may be given via email or telephone), for the purposes of: (i) inspecting the condition and

maintenance of the R&D Kitchen Fixtures and infrastructure (including floor drains, grease traps, and HVAC systems) of the R&D Kitchen, (ii) verifying compliance with pest control and sanitation standards, and (iii) performing necessary repairs or maintenance that the Subtenant has failed to perform. Notwithstanding the notice requirement above, Sublandlord shall have the right of immediate entry without prior notice in the event of an emergency, including but not limited to: (i) actual or suspected fire, flood, or gas leak, (ii) backup or overflow of floor drains or grease traps, (iii) evidence of a significant pest infestation that threatens the Building's structural integrity or the health of other occupants, and (iv) any condition that, in Sublandlord's reasonable judgment, poses an imminent threat to the Building or R&D Kitchen. Sublandlord reserves the right to conduct quarterly formal inspections of the R&D Kitchen. During these inspections, Sublandlord may require Subtenant to demonstrate the operational status of the R&D Kitchen Fixtures and provide the most recent maintenance and pest control logs for review. In exercising its rights under this paragraph, Sublandlord shall make reasonable efforts to minimize interference with Subtenant's operations and shall comply with Subtenant's reasonable security and non-disclosure protocols, provided such protocols do not unreasonably delay Sublandlord's access.

c. **Sublandlord Access to IT Infrastructure**. Notwithstanding anything to the contrary in this Sublease, Sublandlord expressly reserves a non-exclusive right of access to the Information Technology closet located on the second (2nd) floor of the Subleased Premises (the "***IT Closet***"). Subtenant acknowledges that the IT Closet houses critical security and network infrastructure essential to the Building's operations. Sublandlord shall provide Subtenant with at least twenty-four (24) hours' prior notice before entering the IT Closet for routine maintenance, upgrades, or inspections. In the event of an emergency (e.g., security breach, system failure, or threat to Building infrastructure), Sublandlord or its authorized agents may enter the IT Closet immediately and without prior notice. Sublandlord shall use commercially reasonable efforts to minimize disruption to Subtenant's business operations during any such entry. Subtenant shall not: (i) obstruct or impede access to the IT Closet at any time; (ii) store any personal property, waste, or materials within or directly in front of the IT Closet; or (iii) tamper with, modify, or attempt to access any equipment housed within the IT Closet without Sublandlord's express written consent.

10. **Assignment and Subletting**. Subtenant shall not assign, sublease, or transfer any interest in this Sublease or allow any third party to use any portion of the Subleased Premises (collectively or individually, a "***Transfer***"), without the prior written consent of Sublandlord, and Master Landlord. Any Transfer without the prior written consent of Sublandlord, and Master Landlord shall be an incurable default by Subtenant and, in addition to any other rights and remedies, shall entitle Sublandlord to terminate this Sublease immediately. Subtenant shall not be released from any of its obligations under this Sublease or those provisions of Master Lease incorporated herein, and shall continue to be liable as a principal, not as a guarantor or surety, and to the same extent as though no Transfer had been made. Subject to all of the foregoing, no permitted Transfer shall be effective until there has been delivered to Sublandlord a counterpart of the Transfer instrument in which the transferee agrees to be and remain jointly and severally liable with Subtenant for the payment of Rent pertaining to the Subleased Premises and for the performance of all of the terms and provisions of this Sublease and those provisions of Master Lease incorporated herein.

Notwithstanding anything to the contrary herein or otherwise, Subtenant shall not collaterally assign, mortgage, pledge, hypothecate or otherwise encumber the Subleased Premises, this Sublease, the Master Lease, or any of Subtenant's rights hereunder without the prior written consent of Sublandlord, and Master Landlord, which consent Sublandlord, and/or Master Landlord may withhold in its/their sole discretion. Subtenant hereby waives (for itself and all persons claiming under Subtenant) the provisions of California Civil Code Section 1995.310.

11. **Indemnity and Waiver of Claims**. Subtenant shall indemnify, defend (by counsel acceptable to Sublandlord) and hold Sublandlord and all of Sublandlord's affiliates, and each of their respective, owners, investors, partners, principals, members, trustees, officers, directors, shareholders, agents, contractors, employees and lenders ("***Sublandlord Parties***") harmless from and against all liabilities, damages, claims, and expenses, including, without limitation, reasonable attorneys' fees (if and to the extent permitted by Law), which may be imposed upon, incurred by or asserted against Sublandlord or any of the Sublandlord Parties, arising directly or indirectly out of (a) the use or occupancy of the Subleased Premises, the conduct of Subtenant's business or any activity, work or things done, permitted or suffered by Subtenant or any of Subtenant's affiliates, or their respective employees, agents, customers, visitors, invitees, licensees, contractors, assignees (individually, a "***Subtenant Party***", and collectively, the "***Subtenant Parties***"), or (b) a breach or default in the performance of any obligation on Subtenant's part to be performed hereunder, except to the extent caused by Sublandlord's gross negligence or willful misconduct. Subtenant hereby waives all claims against Sublandlord and the Sublandlord Parties for (i) any injury or damage to person or property (or resulting from the loss of use thereof) in or about the Subleased Premises or the Building by or from any cause whatsoever (including, without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes, plumbing works or appliances, the Building and/or the Subleased Premises not being in good condition or repair, gas, fire, oil, or electricity), except to the extent caused by Sublandlord's gross negligence or willful misconduct, and (ii) any failure to prevent or control any criminal or otherwise wrongful conduct by any third party or to apprehend any third party who has engaged in such conduct. Notwithstanding any provision in this Sublease to the contrary, neither Sublandlord nor any Sublandlord Parties, nor Master Landlord nor any of their owners, partners, principals, members, trustees, officers, directors, shareholders, agents, employees and lenders, shall be liable for (and Subtenant hereby waives any claims for) any injury or damage to, or interference with, Subtenant's business, including consequential damage, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, or for any form of punitive damage. Subtenant and Subtenant Parties shall only be liable to Sublandlord, Sublandlord Parties, and Master Landlord for any consequential damage, compensation or claims for inconvenience or loss of business, rents or profits as a result of any injury or damage (a) (i) caused directly by an act or omission of Subtenant or any of Subtenant's invitees, agents or employees, and (ii) Master Landlord has brought an action against Sublandlord for same; or (b) to the extent resulting from a holdover (which is governed by Section 18 of this Sublease).

12. **Insurance**. The provisions of Article 13 of the Master Lease pertaining to insurance shall be incorporated into this Sublease, subject to the following terms. For purposes of this Sublease, (i) the term "Tenant" in Article 13 of the Master Lease shall be deemed to mean Subtenant; (ii) the term "Landlord" in Sections 13.3, 13.4, and 13.5 of the Master Lease shall be deemed to mean Master Landlord, and Sublandlord (it being understood that Sublandlord and Sublandlord Parties shall be named, as applicable, as additional insureds and loss payees, that Sublandlord shall be

entitled to all applicable notices related to such insurance and to evidence of all such insurance, and that the release and waiver of subrogation in Section 13.5 of the Master Lease shall also apply as between Sublandlord and Subtenant; and (iv) the term "Premises" shall mean the "Subleased Premises." The insurance certificate to be provided by Subtenant shall be subject to approval by Sublandlord and Master Landlord (the "***Insurance Certificate***").

13. **Damage or Destruction and Condemnation**. The provisions of Article 28 of the Master Lease pertaining to damage or destruction and condemnation, respectively, shall be incorporated into this Sublease, subject to the following terms. For purposes of this Sublease, the term "Tenant" in Article 28 of the Master Lease shall be deemed to mean Subtenant and the term "Landlord" therein shall be deemed to mean Master Landlord and the term "Premises" shall mean the "Subleased Premises", except that (a) in no event shall Sublandlord have any obligation to Subtenant to restore the Subleased Premises if damaged, destroyed or condemned as described in Article 28 of the Master Lease; and (b) Subtenant shall have no right to (i) terminate this Sublease due to casualty damage to or condemnation of all or any portion of the Subleased Premises unless Sublandlord has such right under the Master Lease, or (ii) any insurance proceeds or condemnation awards received by Sublandlord under the Master Lease, all of which shall be deemed to be the property of Sublandlord. Subtenant hereby (A) waives (I) any and all provisions of applicable Laws that provide alternative rights for the parties in the event of damage or destruction (including, without limitation, the provisions of California Civil Code Section 1932, Subsection 2, and Section 1933, Subsection 4, and any successor statute or laws of a similar nature), and (II) any rights it may have pursuant to any applicable Laws in the event of a condemnation (including, without limitation, Section 1265.130 of the California Code of Civil Procedure and any successor statutes); and (B) agrees that the provisions of this Section 13 shall govern the parties' rights in the event of any casualty and/or condemnation.

14. **Default of Subtenant**. In the event that Subtenant shall default in the performance of any of the terms, covenants and conditions on its part to be performed under this Sublease, or in the event that Subtenant shall default in the performance of any of the terms, covenants and conditions on the tenant's part to be performed under the Master Lease that are incorporated by reference herein and the same are not cured within the time period for the curing thereof, if any, under this Sublease or the Master Lease, as incorporated by reference herein, then Sublandlord shall have the same rights and remedies with respect to such default as are given to Master Landlord with respect to defaults by the tenant under the Master Lease, all with the same force and effect as though the provisions of the Master Lease with respect to defaults and the rights and remedies of the Master Landlord thereunder in the event thereof were set forth at length herein. Except as otherwise provided herein, all terms of the Master Lease are incorporated into this Sublease. However, with respect to any obligation of Subtenant to be performed under the terms of this Sublease or the Master Lease, the time limits set forth in the Master Lease for curing any defaults are hereby shortened by three (3) days. Subtenant acknowledges that this acceleration is necessary to provide Sublandlord an adequate "buffer" to protect its interest in the Master Lease. Sublandlord agrees, promptly to give notice to Subtenant of any notices of default relating to the Subleased Premises which may be received by Sublandlord from the Master Landlord under the Master Lease. If Subtenant shall default in the performance of any of Subtenant's obligations under this Sublease or under the provisions of the Master Lease which are incorporated by referenced herein, Sublandlord, without thereby waiving such default, may, at Sublandlord's option, perform the same for the account and at the expense of Subtenant.

15. **Intentionally Omitted**.

16. **Representations, Warranties and Covenants; Master Lease.**

a. Sublandlord represents and warrants the following is true and correct as of the Effective Date and Commencement Date: (i) Sublandlord is the tenant under the Master Lease and has the capacity to enter into this Sublease with Subtenant subject to satisfaction of the Sublease Contingency, (ii) the Master Lease attached as **Exhibit B**, is a true, correct, and complete copy of the Master Lease, is in full force and effect, and has not been further modified, amended, or supplemented except as expressly set out herein, (iii) Sublandlord has not received any notice, and has no actual knowledge of any default by Sublandlord under the Master Lease, including without limitation as to any covenants related to Hazardous Materials, (iv) Sublandlord has no actual knowledge, of any default by Master Landlord under the Master Lease. Sublandlord covenants that it will maintain the Master Lease during the entire Sublease Term, subject, however, to any earlier termination of the Master Lease without the fault of Sublandlord. Sublandlord hereby covenants not to enter into any amendment or other agreement with respect to the Master Lease that will impact the Subleased Premises without the prior written consent of the Subtenant.

b. Subtenant takes possession of the Subleased Premises, and enters into this Sublease, subject and subordinate to all of the terms, covenants, conditions, and restrictions of the Master Lease, except as otherwise expressly provided for herein. Subtenant's use of the Subleased Premises, and the Building shall be subject and subordinate to all of the terms, covenants, conditions, and restrictions of the Sublease and the Master Lease, except as otherwise expressly provided for herein. Subtenant shall not, and shall not permit Subtenant Parties to, by act or omission cause a breach of any of the terms, covenants, conditions, and restrictions contained in this Sublease or the Master Lease. Except as specifically set forth herein, with respect to any obligation of Subtenant to be performed under this Sublease, wherever the Master Lease grants to Sublandlord a specified number of days after notice or other time condition to perform its corresponding obligation under the Master Lease (excluding the payment of Rent), Subtenant shall have one-fourth fewer days (rounded to the nearest whole day) to perform the obligation, including without limitation curing any defaults. Any default notice or other notice of any obligations (including any billing or invoice for any Rent or any other expense or charge due under the Master Lease) from Master Landlord which is received by Subtenant (whether directly or as a result of being forwarded by Sublandlord) shall constitute such notice from Sublandlord to Subtenant under this Sublease without the need for any additional notice from Sublandlord.

c. It is expressly understood, acknowledged and agreed by Subtenant that all of the other terms, conditions and covenants of this Sublease shall be those stated in the Master Lease except as excluded or modified below in this Section 16(c). Except as otherwise set forth in this Sublease, Subtenant shall be subject to, bound by and comply with all of said Sections of the Master Lease with respect to the Subleased Premises and shall satisfy all applicable terms and conditions of the Master Lease for the benefit of Sublandlord and Master Landlord, it being understood and agreed (except as otherwise expressly set forth in this Sublease), however, that (i) wherever in the Master Lease the word "Tenant"

appears, for the purposes of this Sublease, the word "Subtenant" shall be substituted, wherever the word "Landlord" appears, for the purposes of this Sublease, the word "Sublandlord" shall be substituted, wherever the word "Lease" appears, for purposes of this Sublease, the word "Sublease" shall be substituted, and wherever the word "Premises" appears, for the purposes of this Sublease, the word "Subleased Premises" shall be substituted, and wherever the word "Term" appears, for purposes of this Sublease, the words "Sublease Term" shall be substituted; (ii) Sublandlord shall have no liability to Subtenant with respect to (w) representations and warranties made by Master Landlord under the Master Lease, (x) any indemnification obligations of Master Landlord under the Master Lease, (y) obligations or liabilities of Master Landlord under the Master Lease with respect to compliance with laws, condition of the Subleased Premises or Hazardous Materials, or (z) obligations under the Master Lease to repair, maintain, restore, or insure all or any portion of the Subleased Premises, regardless of whether the incorporation of one or more provisions of the Master Lease might otherwise operate to make Sublandlord liable therefor; (iii) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord", such indemnity, release or waiver shall be deemed to run from Subtenant to Master Landlord and Sublandlord; (iv) whenever the provisions of the Master Lease incorporated as provisions of this Sublease require the written consent of Master Landlord, said provisions shall be construed to require the written consent of Master Landlord and Sublandlord; (v) whenever the provisions of the Master Lease incorporated as provisions of this Sublease require the written consent of Tenant, said provisions shall be construed to require the written consent of Subtenant; and (vi) in any case where Master Landlord is to indemnify, release or waive claims against "Tenant", such indemnity, release or waiver shall be deemed to run from Master Landlord and Sublandlord to Subtenant. In the event of any conflict between this Sublease, on the one hand, and the Master Lease, on the other hand, the terms of this Sublease shall control as between Sublandlord and Subtenant. Subtenant hereby acknowledges that it has read and is familiar with all the terms of the Master Lease. In addition to any other provisions contained in this Sublease which specifically state that certain provisions of the Master Lease are not incorporated into this Sublease or are otherwise modified as described in such other provisions, the terms and provisions of the following Sections and portions of the Master Lease are not incorporated into this Sublease or are modified as provided for below: the following provisions of the Master Lease are expressly not incorporated herein by reference: the definition of "Base Rent," "Security Deposit," "Lease Term" and "Commencement Date," as the same appear in the Master Lease, are not part of this Sublease.

d. Sublandlord shall have no liability to Subtenant on account of any failure of Master Landlord to observe or perform any of the terms, covenants or conditions of the Master Lease required to be observed or performed by Master Landlord, as applicable. Sublandlord, upon Subtenant's written request, shall use commercially reasonable efforts to cause the Master Landlord, to perform its obligations under the Master Lease (including without limitation by notifying Master Landlord of Master Landlord's failure to perform its obligations under the Master Lease if Master Landlord fails to perform same within thirty (30) days after Master Landlord has been requested to do so in writing by Subtenant) and shall use commercially reasonable efforts to cooperate with Subtenant in its efforts to obtain such performance at no cost to Sublandlord. In no event shall Sublandlord be

required to initiate any legal proceedings or to incur any expense or liability in connection with such efforts.

e. If (i) Subtenant shall fail to perform any of its obligations hereunder and such failure shall continue beyond any cure period provided for herein, or (ii) Master Landlord shall give any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder, then, in any such case, Sublandlord shall have the right (but not the obligation) to enter the Subleased Premises and perform or endeavor to perform such obligation, at Subtenant's expense. Subtenant shall, within ten (10) days of Sublandlord's demand, reimburse Sublandlord for all such costs and expenses incurred by Sublandlord in doing so (plus a sum for overhead to Sublandlord equal to five percent (5%) of such costs and expenses) as Rent.

f. Subtenant shall promptly execute, acknowledge and deliver to Sublandlord, any certificate or other document evidencing the status of the Sublease or subordination of this Sublease to the Master Lease, that Sublandlord, or Master Landlord may reasonably request, in accordance with the Master Lease or this Sublease.

17. **Surrender of Subleased Premises**.

a. Subtenant shall remove from the Subleased Premises on or before the expiration or earlier termination of this Sublease (i) any Alterations that are required to be removed pursuant to Section 8 of this Sublease, (ii) any other improvements, alterations or fixtures in the Subleased Premises that were performed by or on behalf of Subtenant and that are required to be removed at the expiration of the term of the Master Lease pursuant to the terms therein, and (iii) Subtenant's personal property, including, without limitation, any property that would be considered "***Tenant's Property***" pursuant to the terms of the Master Lease. In addition, Subtenant shall quit and surrender the Subleased Premises to Sublandlord on or before the expiration or earlier termination of this Sublease, broom clean, and in at least the same order, condition and repair as on the date received, ordinary wear and tear excepted and in accordance with the terms of the Master Lease. Furthermore, upon the expiration or termination of this Sublease, Subtenant shall return the R&D Kitchen to Sublandlord in the same condition as received, broom clean and professionally sanitized, allowing for reasonable wear and tear. Any experimental residue or logical materials must be remediated by a certified cleaning service at Subtenant's expense. Conditions existing because of Subtenant's failure to perform maintenance, repairs or replacements shall not be deemed "ordinary wear and tear." If Subtenant fails to timely remove any Alterations, improvements or fixtures that are required to be removed, or any of Subtenant's personal property, Sublandlord, at Subtenant's sole cost and expense, shall be entitled (but not obligated) to remove such Alterations, improvements and/or fixtures and/or remove, store or dispose of Subtenant's personal property. Sublandlord shall not be responsible for the value, preservation or safekeeping of Subtenant's personal or other property. On the basis of the foregoing, Subtenant waives and releases its rights under Sections 1980 et. seq. and 1993 et. seq. of the California Civil Code, or any similar Laws now or hereafter in effect.

b. At least thirty (30) days prior to Subtenant's surrender of possession of the Subleased Premises, Subtenant shall provide Sublandlord with written evidence of all appropriate governmental releases obtained by Subtenant in accordance with Laws, including laws pertaining to the surrender of the Subleased Premises, and (ii) conduct a site inspection with Sublandlord. In addition, Subtenant agrees to remain responsible after the surrender of the Subleased Premises for the remediation of any recognized environmental conditions. Subtenant's obligations under this provision shall survive the expiration or earlier termination of the Sublease.

18. **Holding Over**. Subtenant shall have no right to holdover in the Subleased Premises beyond the expiration or earlier termination of this Sublease. If Subtenant does not surrender and vacate the Subleased Premises as and when provided for herein, Subtenant shall be deemed to be holding over as a tenant at sufferance, and the parties agree that the Rent during such holdover period shall be one hundred fifty percent (150%) of the Rent in effect immediately prior to such holding over. No holding over by Subtenant shall operate to extend the Sublease Term. Notwithstanding the foregoing, and in addition to all other rights and remedies on the part of Sublandlord, if Subtenant fails to surrender the Subleased Premises upon the expiration or earlier termination of this Sublease, in addition to any other liabilities to Sublandlord accruing therefrom, Subtenant shall be liable to Sublandlord for any obligations over the whole Building imposed by Master Landlord pursuant to the Master Lease as a result of such holding over regardless of the square footage occupied by Subtenant, and Subtenant shall be responsible for all damages suffered by Sublandlord resulting from or occasioned by such holding over, including, without limitation, consequential damages (notwithstanding any limitations thereon under the Master Lease).

19. **Parking; Signage**.

a. **Parking**. Sublandlord hereby grants to Subtenant, without charge, the right to use five (5) reserved parking stalls in the parking lot, in locations to be designated by Sublandlord in writing.

b. **Signage**. Subtenant shall not, without the prior written consent of Sublandlord (which consent may be granted or withheld in its sole and absolute discretion), and Master Landlord, post, project, affix, exhibit or display any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Subleased Premises. Subtenant shall have the right to display, at Subtenant's sole cost and expense, signs bearing Subtenant's name and/or logo at specific locations within the Subleased Premises, subject to the prior written consent of Sublandlord (which consent shall not be unreasonably withheld, conditioned or delayed). Subtenant shall in no event be entitled to any exterior Building signage.

20. **Miscellaneous**

a. All demands, approvals, consents or notices shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service at the party's respective Address(es) for Notice set forth above in the Basic Sublease Information. Each notice shall be deemed to have been

received or given on the earlier to occur of (i) actual delivery or the date on which delivery is refused, (ii) three (3) business days after notice is deposited in the U.S. mail, one (1) business day after notice is deposited with an overnight or same day courier service in the manner described above or the date on which delivery is refused. Any party may, at any time, change its notice address (other than to a post office box address) by giving the other parties written notice of the new address.

b. Either party's failure to declare a default immediately upon its occurrence or delay in taking action for a default shall not constitute a waiver of the default, nor shall it constitute an estoppel. If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Sublease, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

c. This Sublease shall be interpreted and enforced in accordance with the Laws of the State of California (the state in which the Subleased Premises are located).

d. Subtenant represents and warrants to Sublandlord that it has not dealt with any broker in connection with this Sublease, other than Subtenant's Broker and Sublandlord’s Broker identified in the Basic Sublease Information. Subtenant agrees to indemnify, defend and hold Sublandlord and Sublandlord Parties party harmless from any commissions due to any broker claiming by, through or under Subtenant. Sublandlord shall pay Subtenant’s Broker a commission equal to Four Percent (4%) of the gross rent, based on the full duration of the term. All commission amounts owed to Sublandlord's Broker shall be per a separate agreement with Sublandlord. Commission shall be payable to Subtenant's Broker and Sublandlord’s Broker on the earlier to occur of (i) Sublandlord's receipt of the Prepayment and (ii) the Commencement Date. No broker shall be deemed to be, or may make a claim as, a third party beneficiary of the terms of this Sublease, including, without limitation, this subsection (d).

e. The Basic Sublease Information set forth above and any Exhibits and Schedules attached hereto are incorporated into and made a part of the Sublease. Each reference in this Sublease to any of the Basic Sublease Information shall mean the respective information above. In the event of any conflict between the Basic Sublease Information and the provisions of the Sublease, the provisions of the Sublease shall control. This Sublease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the Subleased Premises. This Sublease may be modified only by a written agreement signed by Sublandlord and Subtenant and consented to by Master Landlord.

f. Subtenant represents and warrants that the execution, delivery, and performance by Subtenant of its obligations under this Sublease have been duly authorized and will not violate any provision of Laws, any order of any court or other agency of government, or any indenture, agreement or other instrument to which it is a party or by which it is bound.

g. This Sublease may be executed in multiple counterparts, and by each party on separate counterparts, each of which shall be deemed to be an original but all of which shall

together constitute one agreement. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. This Sublease may be executed in so-called "pdf" format and each party has the right to rely upon a pdf counterpart of this Sublease signed by the other party to the same extent as if such party had received an original counterpart.

h. Subtenant represents and warrants that neither it, nor any Subtenant Party, (i) is directly or indirectly owned or controlled by any individual or entity included on the List of Specially Designated Nationals and Blocked Persons or the Foreign Sanctions Evaders List maintained by the Office of Foreign Assets Control, Department of the Treasury ("***OFAC***") or any other governmental entity imposing economic sanctions and trade embargoes, (ii) is directly or indirectly owned or controlled by any individual or entity who is located, organized, or resident in a country or territory that is, or whose government is, the target of sanctions imposed by OFAC or any other governmental entity ("***Sanctioned Territory***"); and (iii) shall provide any technology or technical information shared between the parties to any Sanctioned Territory or entity or individual that is a citizen of a Sanctioned Territory; Subtenant shall notify Sublandlord promptly upon knowledge of a violation of the foregoing (i) through (iii).

21. **California Civil Code Section 1938 Statement**. To Sublandlord's actual knowledge, the Subleased Premises has not undergone an inspection by a certified access specialist. For purposes of the preceding sentence, Sublandlord's actual knowledge shall mean and be limited to the actual knowledge of the person who is Sublandlord's Chief Financial Officer (not any other person) on the Effective Date, without any duty of inquiry or investigation, and such Chief Financial Officer shall have no personal liability if such representation is untrue. California Civil Code Section 1938 provides in relevant part as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Nothing in this paragraph or California Civil Code Section 1938 shall relieve or modify Subtenant's obligations with respect to (a) compliance with Laws, including without limitation any construction-related accessibility standards, as set forth elsewhere in this Sublease, including, without limitation, Section 5(a) and Section 8 above, or (b) payment of Additional Rent as set forth in Section 4 above. Subtenant hereby agrees that any Subtenant-initiated CASp inspection (x) shall be at Subtenant's sole cost and expense, and (y) shall take place during normal business hours following reasonable prior written notice to Sublandlord and Master Landlord. Any information contained in a CASp report shall be maintained as confidential. Subtenant, at its sole cost and expense, shall be responsible for making any improvements, alterations, modifications and/or repairs to or within the Subleased Premises to correct violations of construction-related accessibility standards, including, without limitation, any violations disclosed by such CASp inspection;

and if such CASp inspection identifies any improvements, alterations, modifications and/or repairs necessary to correct violations of construction-related accessibility standards relating to those items of the Building located outside the Subleased Premises then, at the Master Landlord's election, either Subtenant or the Master Landlord shall perform such improvements, alterations, modifications and/or repairs as and to the extent required by applicable laws to correct such violations, in either instance at Subtenant's sole cost and expense.

22. **Anti-Corruption**. Neither Subtenant nor any of its directors, officers, employees, or any agent, representative, subcontractor or other third party acting for or on Subtenant's behalf (collectively, "***Representatives***"), shall, directly or indirectly, offer, pay, promise to pay, or authorize such offer, promise or payment, of anything of value, to any person, governmental agency, or other entity for the purposes of obtaining any improper advantage in connection with this Sublease. Not by way of limitation of Section 5 of this Sublease, neither Subtenant nor any of its directors, officers or employees shall violate any applicable laws, rules and regulations concerning or relating to public or commercial bribery or corruption ("***Anti-Corruption Laws***"). Within five (5) business days of Sublandlord's written request, Subtenant shall execute and deliver a compliance certification (which certification may be limited to Subtenant's knowledge) with respect to Subtenant's compliance with Anti-Corruption Laws and this Section 22. If Subtenant shall breach the foregoing at any time during the Sublease Term, a Default will be deemed to have occurred, without the necessity of notice to Subtenant.

23. **Confidential Information**. During the Sublease Term, Sublandlord and Subtenant may each receive, obtain, or be given access to, whether directly or indirectly, including through audio or visual observation, information that relates to their respective business, finances, and/or technology (collectively, "***Proprietary Information***"), which such Proprietary Information shall include, without limitation, the existence and contents of this Sublease, the Master Lease, the Subleased Premises, and the Building. Sublandlord and Subtenant shall each (i) not use the Proprietary Information for any purpose, except as is necessary to perform its obligations hereunder, (ii) not disclose any Proprietary Information, or component thereof, to any third party, (iii) within their respective organization, only disclose Proprietary Information to those Sublandlord Parties and Subtenant Parties, as applicable, who need such Proprietary Information for the purposes of performing the obligations hereunder and who are bound by obligations of confidentiality with respect to such Proprietary Information at least as protective as those contained herein, and (iv) use best efforts to protect the confidentiality of the Proprietary Information. Sublandlord and Subtenant shall each notify the other of any unauthorized use or disclosure of Proprietary Information and to take all actions reasonably necessary to prevent further unauthorized use or disclosure thereof.

24. **No Publicity**. Sublandlord and Subtenant each hereby acknowledges and agrees that it shall not use, without the other's prior written approval, which may be withheld in such party's sole discretion, the name of the other party, its affiliates, trade names, trademarks or trade dress, products, or any signs, markings, or symbols from which a connection to such party may be reasonably inferred or implied, in any manner whatsoever, including, without limitation, press releases, marketing materials, or advertisements.

[Signature Page Follows]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease effective as of the Effective Date, on the dates set forth below.

SUBLANDLORD:

METAGENOMI THERAPEUTICS, INC.
a Delaware corporation

By: /s/ Jian Irish
Name: Jian Irish
Title: CEO and President
Date: April 8th, 2026

SUBTENANT:

THE PURPLE MIXER, INC.
a Delaware corporation

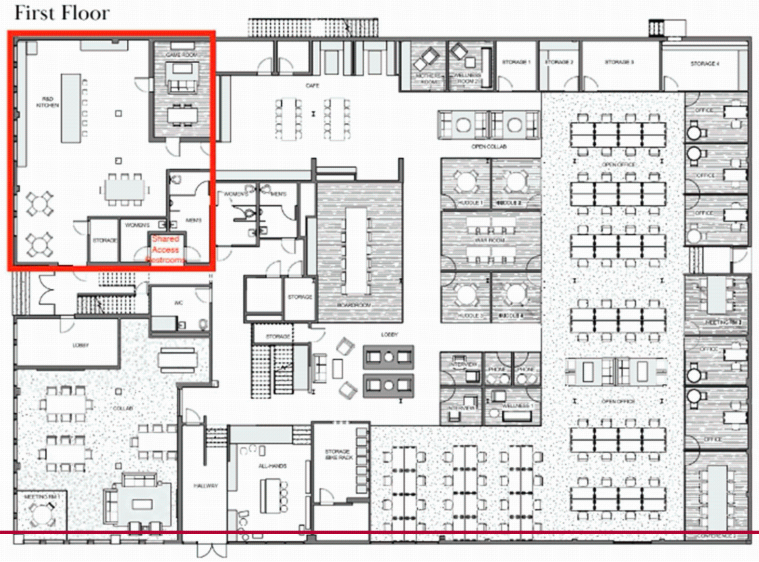
By: /s/ Sarah Jones Garibaldi
Name: Sarah Jones Garibaldi
Title: CEO
Date: April 8th, 2026

Exhibit A

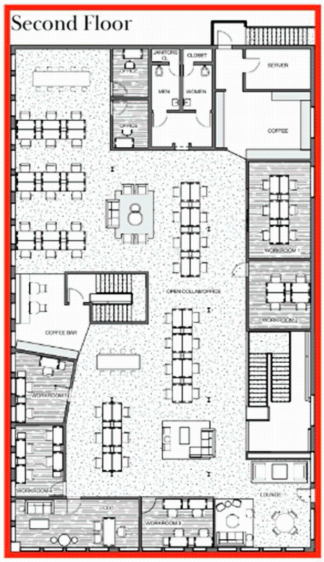
EXHIBIT A

1485 PARK AVENUE, EMERYVILLE

First Floor



Second Floor



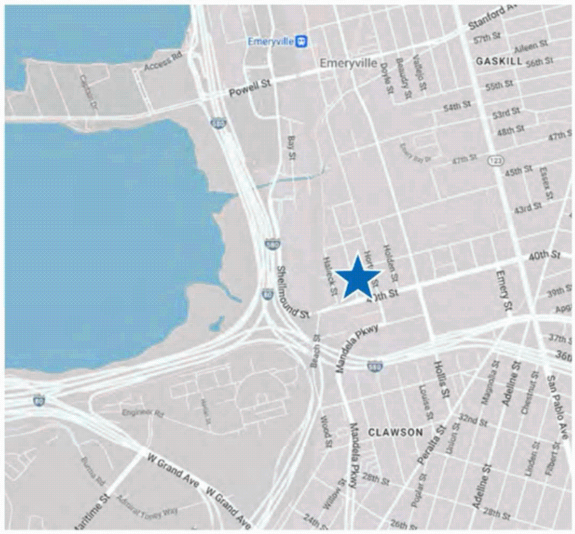


EXHIBIT B

Master Lease

(attached hereto)

LEASE

By and Between

PARK AVENUE BUILDING LLC,
a California limited liability company

"Landlord"

And

METAGENOMI, INC., a Delaware corporation,

"Tenant"

Dated: September 29, 2021

Basic Lease Information

Lease Date:	September 24, 2021
Landlord:	Park Avenue Building, LLC
Landlord's Address:	c/o David Bruck Property Mgt. 1105 La Grande Ave. Napa, CA 94558
Tenant:	Metagenomi, Inc., a Delaware corporation
Tenant's Address:	After Commencement Date: 1485 Park Avenue Emeryville, CA 94608 Prior to Commencement Date: 1545 Park Avenue Emeryville, California 94608 Attn: VP of Legal All notices to Tenant regarding any default shall be copied via email and U.S. mail to: [redacted]
Guarantor:	None.
Premises:	The entire Building (defined below) and other areas of the Property, including any parking spaces.
Building:	That certain office building containing approximately 23,155 rentable square feet located on the Property.
Property:	A parcel of real property commonly known as 1485 Park Avenue, Emeryville, CA 94608
Term:	One hundred eleven (111) months
Commencement Date:	November 1, 2021
Rent Commencement Date:	January 1, 2022

[redacted]

Termination Date: January 31, 2031

Base Rent (§4): 11/1/21 – 12/31/21: 01/1/22 – 10/31/22:

11/1/22 – 10/31/23:
11/1/23 – 10/31/24:
11/1/24 – 10/31/25:
11/1/25 – 10/31/26:
11/1/26 – 10/31/27:
11/1/27 – 10/31/28:
11/1/28 – 10/31/29:
11/1/29 – 10/31/30:
11/1/30 – 01/31/31:

Security Deposit (§6): [redacted]

Prepaid Rent: [redacted]

Base Year:	The calendar year of 2022.
Tenant's Share of Operating Expenses (§5.1):	100% of the Building
Tenant's Share of Tax Expenses (§5.2):	100% of the Building
Tenant Improvement Allowance:	[redacted]
Permitted Uses (§9):	General office use, ancillary kitchen and other legally permitted uses that are compatible with the Building, subject to all applicable laws, including zoning.
Broker (§34):	Cushman & Wakefield for Landlord Kidder Matthews and Newmark for Tenant
Exhibits:	*Exhibit A - Premises and Building* *Exhibit B - Commencement Date Amendment*

Exhibit C- Tenant Improvements
Exhibit D- Rules and Regulations
Exhibit E- Consent to Sublease/Assignment

TABLE OF CONTENTS

LEASE

The Basic Lease Information set forth on Pages (i) and (ii) and this Lease are and shall be construed as a single instrument.

1. PREMISES.

Landlord hereby leases the Premises to Tenant upon the terms and conditions contained herein. Landlord and Tenant hereby agree that for purposes of this Lease, as of the Lease Date, the rentable square footage area of each of the Premises and the Building shall be deemed to be the number of rentable square feet as set forth in the Basic Lease Information.

2. TERM.

The Term of this Lease will begin on the Commencement Date and shall expire on the Termination Date. On the day that Tenant executes this Lease, Tenant will deliver to Landlord the original executed Lease, the Prepaid Rent, and the Security Deposit. Within ten (10) days of the date Tenant executes this Lease, Tenant will deliver to Landlord the Letter of Credit. Prior to the Commencement Date, Tenant shall also deliver insurance certificates evidencing the insurance required to be obtained by Tenant under Section 13 and Exhibit C if any of this Lease. If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on the Commencement Date in the condition specified in Section 10 hereof, then Landlord will not be subject to any liability nor shall the validity of the Lease be affected; however, the Rent Commencement Date of this Lease will be extended on a day-for-day basis and the Termination Date shall be extended commensurately. Notwithstanding anything to the contrary herein, in the event Landlord cannot deliver possession of the Premises to Tenant by March 31, 2022, Tenant shall have the right upon seven (7) days written notice to terminate this Lease without liability and Landlord shall return the Security Deposit and Letter of Credit within 30 days of such termination. In order to confirm the Commencement Date, the Rent Commencement Date and/or the Termination Date of this Lease, on or before the date that Tenant takes possession of the Premises, Landlord and Tenant will execute a written amendment to this Lease, in the form of Exhibit B hereto, which will specify the actual Commencement Date, Termination Date and the Rent Commencement Date.

3. INTENTIONALLY DELETED.

4. RENT.

Tenant agrees to pay Landlord the Base Rent, without prior notice or demand, abatement, offset, deduction or claim, in advance at Landlord's Address on the Rent Commencement Date and thereafter on the first (1st) day of each month throughout the balance of the Term of the Lease. In addition to the Base Rent, commencing on January 1, 2023, Tenant shall pay Landlord in advance and thereafter on the first (1st) day of each month throughout the balance of the Term of

this Lease, without prior notice or demand, abatement, offset, deduction or claim, as Additional Rent (as defined below), Tenant's Share of Operating Expenses and Tax Expenses (collectively, the "Expenses") for the amounts, if any, in excess of the Base Year. The term "Rent" whenever used herein refers to the aggregate of Base Rent and Additional Rent. The Rent for any fractional part of a calendar month at the commencement, expiration or termination of the Lease Term shall be a prorated amount of the Rent for a full calendar month based upon a thirty (30) day month. The first months Base Rent will be paid upon execution of the Lease and any prorated Rent for the final calendar month hereof shall be paid on the first day of the calendar month in which the Termination Date occurs.

5. ADDITIONAL RENT.

It is intended by Landlord and Tenant that this Lease be a modified gross lease, wherein Base Rent includes for Operating Expenses and Tax Expenses in the amount of the Base Year, except for janitorial and the Utility Expenses (as defined in Section 8.1 below), which Tenant shall pay in full as of the Commencement Date. For Operating Expenses and Tax Expenses in excess of the Base Year Expenses, Tenant will pay all Operating Expenses and Tax Expenses with respect to such excess. The costs and expenses described in this Section 5 and all other sums, charges, costs and expenses specified in this Lease, other than Base Rent, are to be paid by Tenant to Landlord as additional rent ("Additional Rent").

5.1 Operating Expenses:

5.1.1 Definition of Operating Expenses: Tenant shall pay to Landlord Tenant's Share of all Operating Expenses in excess of the Operating Expenses for the Base Year, if any, as Additional Rent. The term "Operating Expenses" as used herein shall mean the total amounts paid or payable by Landlord in connection with the ownership, management, maintenance, repair, and operation of the Premises, the Building, and the Property. These Operating Expenses may include, but are not limited to, Landlord's cost of: (i) repairs to, and maintenance of, all wall and floor coverings, ceiling tiles and fixtures in the Building, the roof membrane, the non-structural portions of the roof and the non-structural elements of the perimeter and exterior walls of the Building, sidewalks and curbs, exterior windows, foundation and basement areas and any landscaping on the Property; (ii) annual insurance premium(s) insuring against personal injury and property damage (including, if Landlord elects, "all risk" or "special purpose" coverage) and all other insurance, including, but not limited to, earthquake and flood for the Property, rental value insurance against loss of Rent for a period of at least twelve (12) months commencing on the date of loss, and any deductible; (iii) the costs of supplying all utilities, the cost of operating, repairing, maintaining, and renovating the utilities, including without limitation, telephone, electricity, gas, sanitation, storm drainage, and elevator systems that are not paid directly by Tenant, if any; (iv) (a) modifications and/or new improvements to any portion of the Building occasioned by any rules, laws or regulations effective subsequent to the Lease Date; (b) reasonably necessary replacement improvements to any portion of the Building after the Commencement Date; and

(c) new improvements to the Building that reduce operating costs or improve life/safety conditions, all of the foregoing as reasonably determined by Landlord, in its sole but reasonable discretion (if such costs are of a capital nature, then such costs or allocable portions thereof will be amortized on a straight-line basis over the estimated useful life of the capital item or fifteen (15) years whichever is shorter, together with reasonable interest on the amortized balance); (v) preventative maintenance and repair contracts including, but not limited to, contracts for elevator systems and heating, ventilation and air conditioning systems; (vi) security and fire protection services for the Building, if and to the extent, in Landlord's sole discretion, such services are provided; (vii) supplies, materials, equipment and other similar items used in the operation and/or maintenance of the Building and any reasonable reserves established for replacement or repair of any improvements or equipment; (viii) any and all levies, charges, fees and/or assessments imposed on Landlord by any federal, state or local governmental agency or body or to any applicable owner's association or similar body; (ix) the service and maintenance items set forth in Section 12 below; (x) costs incurred in connection with the areas servicing the Building; (xi) fees and other costs, including management fees, consulting fees, legal fees and accounting fees, and the fees of all contractors and consultants in connection with the management, operation, maintenance and repair of the Building; (xii) payments under any equipment lease agreements; and (xiii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Building. As of the Lease Date, Landlord does not carry earthquake insurance. In the event that Landlord obtains earthquake insurance during the Term, the amount of such earthquake insurance shall be included in Operating Expenses for the Base Year.

5.1.2 Operating Expense Exclusions: Notwithstanding anything to the contrary contained herein, for purposes of this Lease, the term "Operating Expenses" shall not include the following: (i) legal and auditing fees (other than those fees reasonably incurred in connection with the maintenance and operation of all or any portion the Building or Property), leasing commissions, advertising expenses, and other costs incurred in connection with the original leasing of the Building or future re-leasing of any portion of the Building; (ii) depreciation of the Building or any other improvements situated on the Property; (iii) any items for which Landlord is actually reimbursed by insurance; (iv) costs of repairs or other work necessitated by fire, windstorm or other casualty (excluding any deductibles) and/or costs of repair or other work necessitated by the exercise of the right of eminent domain to the extent insurance proceeds or a condemnation award, as applicable, is actually received by Landlord for such purposes; provided, such costs of repairs or other work shall be paid by the parties in accordance with the provisions of Sections 27 and 28, below; (v) any interest or payments on any financing for the Building or the Property; (vi) any interest or penalties incurred as a result of Landlord's late payment of any invoice (provided that Tenant pays Tenant's Share of Operating Expenses and Tax Expenses to Landlord when due as set forth herein), and any bad debt loss, rent loss or reserves for same; (vii) advertising and promotional expenditures, including the cost of signage identifying the Building owners; (viii) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in the Building to the extent

the same exceeds the costs of such by unaffiliated third parties on a competitive basis; or any costs included in Operating Expenses representing an amount paid to a person, firm, corporation or other entity related to Landlord that are in excess of the amount that would have been paid in the absence of such relationship; (ix) any payments under a ground lease or master lease; (x) any expense related to the repair and maintenance of any structural element of the Building or the foundation; (xi) costs arising from the negligence or fault of Landlord or its agents, vendors or providers of materials; (xii) Landlord's charitable or political contributions; (xiii) costs arising in the base, shell or core of the Building or improvements installed by Landlord; (xiv) any expense due to the acquisition of any sculpture, painting or other objects of art; (xv) costs of operation of the business of the partnership or entity which constitutes Landlord that are not directly attributable to the operation of the Building, including partnership accounting and legal matters and the cost of defending any lawsuit that is unrelated to the operation of the Building; (xvi) the expenses incurred by Landlord in connection with any environmental clean-up, response action or remediation on, in, under or about the Premises or the Building to the extent not caused, directly or indirectly by Tenant, but excluding the costs of monitoring; and (xvii) "in-house" legal and/or accounting fees (other than the management fees).

5.2 Tax Expenses: Tenant shall pay to Landlord Tenant's Share of all real property taxes applicable to the Property in excess of real property taxes due for the Base Year, in accordance with Section 5.3 below. The term "Tax Expenses" shall mean and include, without limitation, any form of tax and assessment (general, special, supplemental, ordinary or extraordinary), commercial rental tax, payments under any improvement bond or bonds, license fees, license tax, business license fee, rental tax, transaction tax or levy imposed by any authority having the direct or indirect power of tax (including any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement district thereof) as against any legal or equitable interest of Landlord in the Premises or any other portion of the Property or any other tax, fee, or excise, however described. The term "Tax Expenses" shall only exclude any franchise, estate, inheritance, net income, or excess profits tax imposed upon Landlord, or a penalty fee imposed as a result of Landlord's failure to pay Tax Expenses when due. Tenant will pay Landlord, as Additional Rent, irrespective of the Base Year, within ten (10) days after demand therefore, one hundred percent (100%) of (i) any increase in real property taxes attributable to any and all Alterations (defined below in Section 11), Tenant Improvements, fixtures, equipment or other improvements of any kind whatsoever placed in, on or about the Premises for the benefit of, at the request of, or by Tenant, and (ii) taxes and assessments levied or assessed upon or with respect to the possession, operation, use or occupancy by Tenant of the Premises or any other portion of the Property. Prior to delinquency, Tenant shall pay any and all taxes and assessments levied upon Tenant's Property (defined below in Section 11.2) located or installed in or about the Premises by, or on behalf of Tenant. To the extent any such taxes or assessments are not separately assessed or billed to Tenant, then Tenant shall pay, as Additional Rent, the amount thereof as invoiced by Landlord.

5.3 Payment of Expenses. Following the Base Year, Landlord will invoice Tenant for its share of increases in Operating Expenses and Tax Expenses at the end of each calendar year. Tenant will have thirty (30) days from receipt of invoice to pay Tenant's Share of said increases for the preceding year. Alternatively, Landlord may, in

its sole and absolute discretion, invoice Tenant for said increases in advance based on an estimate to be paid by Tenant monthly. Should Landlord elect to collect increases in advance, Landlord will notify Tenant in writing. Beginning on January 1, 2023, Tenant will pay one-twelfth (1/12th) of the estimated amount of the Expenses in an amount that Landlord reasonably expects the Expenses for that calendar year to exceed the Expenses for the Base Year, as Additional Rent, and thereafter on the first (1st) day of each month throughout the remaining months of such calendar year. Thereafter, within the first ninety (90) days of any subsequent calendar year, Landlord will provide Tenant with an estimate of Operating Expenses and Tax Expenses for the calendar year, Tenant will pay the amount of the revised estimate on the first day of the next preceding calendar month. Until the Landlord delivers the estimate for the then current calendar year, Tenant's payments will be based upon the estimate from the previous year. At any point during any Lease Year (other than the Base Year), Landlord may revise its estimate for that calendar year if Landlord has a reasonable basis for the belief that the ultimate Operating Expenses and Tax Expenses for that year will be more than five percent (5%) above the current estimate, Landlord may deliver written notice to Tenant increasing the estimated payments for the remainder of that calendar year. Tenant will pay the increased amount beginning on the first day of the month following Landlord's delivery of said notice.

5.4 Annual Reconciliation: By June 30th of each calendar year in which Tenant is obligated for Tenant's Share of Expenses, or as soon thereafter as reasonably possible, Landlord shall furnish Tenant with an accounting of actual and accrued Operating Expenses and Tax Expenses for the prior calendar year. Within thirty (30) days of Landlord's delivery of such accounting, Tenant shall pay to Landlord the amount of any underpayment. Notwithstanding the foregoing, failure by Landlord to give such accounting by such date shall not constitute a waiver by Landlord of its right to collect any underpayment by Tenant at any time. Landlord may, at its option and in its sole and absolute discretion, either credit the amount of any overpayment by Tenant toward the next estimated monthly installment(s) falling due, or refund the amount of overpayment to Tenant within thirty (30) days thereafter. If the Term of the Lease expires prior to the annual reconciliation of Expenses Landlord shall have the right to reasonably estimate Tenant's Share of such Expenses, and (a) if Landlord determines that there has been an underpayment, Landlord may deduct such underpayment from Tenant's Security Deposit, and (b) if Landlord determines that there has been an overpayment, Landlord shall refund the amount of the overpayment to Tenant within thirty (30) days after the expirations of the Term. Failure by Landlord to accurately estimate Tenant's Share of such Expenses or to otherwise perform such reconciliation of expenses shall not constitute a waiver of Landlord's right to collect any of Tenant's underpayment at any time during the Term of the Lease or at any time after the expiration or earlier termination of this Lease.

5.5 Audit: After delivery to Landlord of at least thirty (30) days prior written notice, Tenant, at its sole cost and expense through any reputable accountant designated by it, shall have the right to examine and/or audit the books and records evidencing such costs and expenses for the previous one (1) calendar year, during Landlord's reasonable business hours but not more frequently than once during any calendar year. Any such accounting firm designated by Tenant may not be compensated on a contingency fee basis. The results of any such audit (and any negotiations between the parties related thereto) shall be maintained strictly confidential by Tenant and its accounting firm and

shall not be disclosed, published or otherwise disseminated to any other party other than to Landlord and its authorized agents. Landlord and Tenant each shall use its best efforts to cooperate in such negotiations and to promptly resolve any discrepancies between Landlord and Tenant in the accounting of the Expenses. In no event will any discrepancies be deemed a material breach of the Lease by Landlord. Once all of the discrepancies, if any, have been resolved, should the audit reveals that Landlord overstated Tenant's Share of Operating Expenses and Tenant's Share of Tax Expenses by more than five percent (5%), then Landlord will reimburse Tenant for the actual cost of the audit.

6. SECURITY DEPOSIT.

6.2 **Cash Security Deposit:** Simultaneously with Tenant's execution and delivery of this Lease, Tenant shall deliver to Landlord, the cash portion of Security Deposit for the faithful performance by Tenant of its obligations under this Lease. If Tenant is in default hereunder, Landlord may, but is not required to, use all or any portion of the Security Deposit to cure the default or to compensate Landlord for all damages sustained in connection therewith, including without limitation, Reletting Costs (as defined in Section 21.1). Tenant will, immediately on demand, pay to Landlord the sum required to replenish and restore the Security Deposit to its full amount. At any time after Tenant has defaulted hereunder, Landlord may require an increase in the amount of the Security Deposit required hereunder for the then balance of the Term and Tenant shall, immediately on demand, pay to Landlord such additional sums. As soon as practicable after the expiration or termination of this Lease, Landlord will return the cash portion of the Security Deposit to Tenant, less any amounts that are reasonably necessary, as determined by Landlord in its reasonable discretion, to remedy Tenant's default(s) hereunder or to otherwise restore the Premises to a clean and safe condition, reasonable wear and tear excepted. If the cost to restore the Premises exceeds the amount of the Security Deposit, Tenant will immediately deliver to Landlord any excess sums. Landlord is not required to keep the Security Deposit separate from other funds, and, unless otherwise required by law, Tenant is not entitled to interest on the Security Deposit. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in effect that provide that limit the types of damages to which a security deposit may be applied, it being agreed that Landlord may claim those sums reasonably necessary to compensate Landlord for any loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. In no event or circumstance shall Tenant have the right to any use or application of the Security Deposit and, specifically, Tenant may not use the Security Deposit as the last month's Rent, as a credit or to otherwise offset any payments required hereunder.

6.2 Letter of Credit: In addition to the cash Security Deposit, Tenant will deliver to Landlord within ten (10) days following Tenant's execution and delivery of this Lease an irrevocable letter of credit payable in the San Francisco Bay Area, California issued for the benefit of the Landlord by a bank reasonably satisfactory to Landlord, in the amount of [redacted] (the "Letter of Credit"). The Letter of Credit will be irrevocable for the term thereof and will provide that it is automatically renewable for a period ending not earlier than sixty (60) days after the expiration of the Term without any action

whatsoever on the part of Landlord. However, the issuing bank will have the right not to renew said Letter of Credit on written notice to Landlord given not less than sixty (60) days before the expiration of the Term (it being understood, however, that the privilege of the issuing bank not to renew said letter of credit will not, in any event, diminish the obligation of Tenant to maintain such irrevocable Letter of Credit with Landlord through the date which is sixty (60) days after the expiration of the Term).

(a) The Letter of Credit must be issued by a bank reasonably satisfactory to Landlord, in a form reasonably acceptable to Landlord, and must provide, among other things, in effect that:

(i) Landlord, or its then managing agent, will have the right to draw down an amount up to the face amount of the Letter of Credit upon the presentation to the issuing bank of Landlord's (or Landlord's then managing agent's) statement that the drawer is entitled to draw upon the Letter of Credit pursuant to this Lease, it being understood that if Landlord or its managing agent is a corporation, limited liability company, partnership or other entity, then such statement will be signed by an officer or member (if a corporation or limited liability company), a general partner (if a partnership), or any authorized party (if another entity);

(ii) The Letter of Credit will be honored by the issuing bank without inquiry as to the accuracy thereof and regardless of whether the Tenant disputes the content of such statement;

(iii) In the event of a transfer of Landlord's interest in the Property, Landlord will have the right to transfer the Letter of Credit to the transferee at no cost to Landlord or transferee, and thereupon, Landlord will, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of said Letter of Credit to a new landlord;

(iv) Tenant further covenants that it will not assign or encumber said Letter of Credit or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

(b) Without limiting the generality of the foregoing, if the Letter of Credit expires earlier than sixty (60) days after the expiration of the Term, or the issuing bank notifies Landlord that it will not renew the Letter of Credit, Landlord will accept a renewal thereof or substitute Letter of Credit (such renewal or substitute letter of credit to be in effect not later than thirty (30) days prior to the expiration thereof), irrevocable and automatically renewable as above provided to sixty (60) days after the end of the Term upon the same terms as the expiring letter of credit or such other terms as may be acceptable to Landlord. However, (i) if the Letter of Credit is not timely renewed or a substitute Letter of Credit is not timely received, or (ii) if Tenant fails to maintain the Letter of Credit in the amount and terms set forth in this Section 6.2, Tenant, at least thirty (30) days before the expiration of the Letter of Credit, or immediately upon its failure

to comply with each and every term of this Section 6.2, must deposit with Landlord cash security in the amounts required by, and to be held subject to and in accordance with, all of the terms and conditions set forth in this Section 6.2 hereof, failing which the Landlord may present such letter of credit to the bank, in accordance with the terms of this Section 6.2, and the entire sum secured thereby will be paid to Landlord, to be held by Landlord as provided in this Section 6.1.

(c) Subject to the terms of this Section 6.1, and further provided Tenant has paid all Rent due under this Lease when due or after notice and within the applicable cure period, during each 12-month period immediately preceding the effective date of any reduction in the Letter of Credit, Tenant shall have the right to reduce the amount of the Letter of Credit on each anniversary of the Commencement Date through the Lease Term by the amount of [redacted] per annum. If Tenant is not entitled to reduce the Letter of Credit as of a particular anniversary of the Commencement Date due to Tenant's failure to timely pay all Rent beyond all applicable notice and cure periods during the 12 months prior in time, then the right to all subsequent reduction(s) shall terminate. Notwithstanding anything to the contrary contained in this Section 6.1(c), the occurrence of any material default under this Lease that has not been cured after notice and within the applicable cure period, shall extinguish all further right to reduce the amount of the Letter of Credit as described herein. Any reduction in the Letter of Credit shall be accomplished by Tenant providing Landlord with a substitute letter of credit in the reduced amount and otherwise in compliance with all terms of this Section.

7. LATE CHARGES.

Any and all sums or charges set forth in this Section 7 will be paid as Additional Rent. Tenant acknowledges that late payment (the fifth (5th) day of each month or any time thereafter) by Tenant to Landlord of Rent and all other sums due hereunder, will cause Landlord to incur costs not contemplated by this Lease. Such costs may include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any note secured by any encumbrance against the Premises, and late charges and penalties due to the late payment of real property taxes on the Premises. Therefore, if any installment of Rent or any other sum payable by Tenant is not received by Landlord within five (5) days from the date due (provided, however, that with respect to Tenant's first failure during each Lease year to pay any installment of Rent or any other sum payable by Tenant, Landlord shall provide written notice to Tenant of such failure and Tenant shall have five (5) days following the date of such notice to pay such past due amount), Tenant shall promptly pay to Landlord a late charge, as liquidated damages, in an amount equal to ten percent (10%) of such delinquent amount plus interest on such delinquent amount at the maximum legal rate. In addition to the late charge described above, any Rent or other amounts owing hereunder that are not paid within ten (10) days the date that they are due (provided, however, that with respect to Tenant's first failure during each Lease year to pay any installment of Rent or any amounts owing hereunder, Landlord shall provide written notice to Tenant of such failure and Tenant shall have five (5) days following the date of such notice to pay such past due amount) will bear interest from the date when due until paid at a rate that is the higher of (i) ten percent (10%) per annum or (ii) the highest rate permitted by applicable law. The parties agree that this late charge and the other charges referenced above

represent a fair and reasonable estimate of the costs that Landlord will incur by reason of such late payment by Tenant, excluding attorneys' fees and costs. Acceptance of any late charge or other charges shall not constitute a waiver by Landlord of Tenant's default with respect to the delinquent amount, nor prevent Landlord from exercising any of the other rights and remedies available to Landlord for any other breach of Tenant under this Lease. If a late charge becomes payable for three (3) installments of Rent, then Landlord, at Landlord's sole option, can either require the Rent be paid quarterly in advance or be paid monthly in advance by cashier's check or by electronic funds transfer.

8. UTILITIES AND SERVICES.

8.1 Utility Expenses: Tenant shall arrange for and pay for all water, gas, heat, light, power, telephone, and other utilities and services supplied to the Premises, together with any taxes thereon, directly to the utility providers. Tenant shall also provide for its own garbage and janitorial service, at its sole cost and expense.

8.2 Interruption of Use: Tenant agrees that Landlord is not liable for damage, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including electricity, telephone and telecommunications services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, shortages, outages, brown-outs, black-outs, or improvements, by any strike, lockout, or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Property after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident, casualty whatsoever, by act or default of Tenant or any of Tenant's agents, employees, contractors or service-providers, or by any other cause (other than arising from or in connection with the negligence or willful misconduct of Landlord); and such failure, delay or diminution will never be deemed to constitute an eviction, interruption, cessation or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under the Lease. Furthermore, Landlord shall not be liable under any circumstances for any loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities set forth in Section 8 (other than arising due to or in connection with the negligence of willful misconduct of Landlord). Tenant acknowledges that the Premises may become subject to the rationing or partial or intermittent "blackouts" of utility services or restrictions on utility use as required by a public utility company, governmental agency or other similar entity having jurisdiction thereof. Tenant agrees that its tenancy and occupancy hereunder shall be subject to such rationing restrictions as may be imposed upon Landlord, Tenant, the Premises, or other portions of the Building, and Tenant shall in no event be excused or relieved from any covenant or obligation to be kept or performed by Tenant by reason of any such rationing or restrictions.

9. USE OF PREMISES.

9.1 Approved Use: The Premises are to be used solely for the purposes and uses specified in the Basic Lease Information and for no other uses or purposes without Landlord's prior written consent, which may be withheld in Landlord's reasonable

discretion. Tenant's use of the Premises will be in accordance with the rules and regulations for the Building, as set forth in Exhibit D hereto, and any other reasonable rules and regulations promulgated by Landlord now or hereafter enacted relating the operation of the Premises and/or any other part of the Building (collectively, the "Rules and Regulations").

9.2 Prohibition on Use: Tenant shall not use the Premises or permit anything to be done in or about the Premises nor keep or bring anything therein that will in any way increase the existing rate of or affect any policy of fire or other insurance upon the Building or any of its contents, or cause a violation or cancellation of any insurance policy. No auctions may be held or otherwise conducted in, on or about any portion of the Premises or the Building without Landlord's prior written consent thereto, in its sole and absolute discretion. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of Landlord or other tenants or occupants of any portion of the Building. The Premises shall not be used for any unlawful purpose. Tenant will not cause, maintain or permit any private or public nuisance in, on or about any portion of the Premises or the Building, including, but not limited to, any offensive odors, noises, fumes or vibrations.

10. CONDITION OF PREMISES.

Landlord shall deliver the Premises with the Covered Items (as defined in Section 12.1 below) in good order and operating condition. Tenant agrees to accept the Premises on the Commencement Date as then being suitable for Tenant's intended use and in good operating order, condition and repair in its then existing "AS IS" condition, except as otherwise set forth in Exhibit C hereto. The Tenant Improvements (defined in Exhibit C) shall be installed in accordance with the terms, conditions, criteria and provisions set forth in Exhibit C. Landlord shall advance the Tenant Improvement Allowance to Tenant for the purposes of constructing the Tenant Improvements in accordance with the procedures described in Exhibit C. By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises in good condition and state of repair and in full compliance with the Delivery Condition set forth in Exhibit C, punchlist items excepted. Tenant expressly acknowledges and agrees that neither Landlord nor any of Landlord's agents, representatives or employees has made any representations as to the suitability, fitness or condition of the Premises for the conduct of Tenant's business or for any other purpose, including without limitation, any storage incidental thereto.

11. ALTERATIONS; AND SURRENDER OF PREMISES.

11.1 Alterations: Tenant will not install any signs, fixtures, improvements, nor make or permit any other alterations or additions (individually, an "Alteration", and collectively, the "Alterations") to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld so long as any such Alteration is in compliance with Section 11 of this Lease and does not affect the Building systems or the structural integrity of the Premises or the Building. It is hereby acknowledged and agreed that the Tenant Improvement shall not constitute

"Alternations" and shall be governed by Exhibit C. Any Alteration affecting the structure of the Building or Building systems is subject to the sole and absolute discretion of Landlord. If any such Alteration is expressly permitted by Landlord in writing, Tenant shall deliver at least twenty (20) days prior notice to Landlord, from the date Tenant intends to commence construction, sufficient to enable Landlord to post a Notice of Non-Responsibility. In all events, Tenant shall obtain all permits or other governmental approvals prior to commencing any of such work and deliver copies to Landlord. All Alterations shall be at Tenant's sole cost and expense, and shall be installed by a licensed contractor (reasonably approved by Landlord) in compliance with all applicable Laws (including, but not limited to, the ADA). Tenant shall keep the Premises and the Property free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Tenant shall, prior to construction of any and all Alterations, cause its contractor(s) and subcontractor(s) to provide insurance as reasonably required by Landlord.

11.2 Surrender of Premises: At the expiration of the Term or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in good condition and repair (damage by acts of God, casualty, and normal wear and tear excepted), but with all interior walls cleaned, any carpets cleaned, all floors cleaned. On or before the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's Property (as hereinafter defined) from the Premises. Tenant shall repair any damage caused by such removal of the Tenant's Property. For purposes hereof, the term "Tenant's Property" shall mean and refer to all equipment, trade fixtures, computer wiring and cabling, furnishings, inventories, goods and personal property of Tenant. Any of Tenant's Property not so removed by Tenant as required herein shall be deemed abandoned and may be removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property; provided, however, Tenant shall remain liable to Landlord for all costs incurred in disposing of such abandoned property of Tenant. All Tenant Improvements and Alterations, except those that Landlord requires Tenant to remove, will remain in the Premises as the property of Landlord.

12. SERVICES AND MAINTENANCE.

12.1 Maintenance by Landlord: Landlord shall maintain the structural portions of the Building, including the roof, foundation, parking lot, and building systems and utilities to the point where they enter the Building structure itself (collectively, "Covered Items"), in reasonably good order and condition except for damage occasioned by the negligence or willful misconduct of Tenant, which damages shall be repaired by the Landlord at Tenant's expense. Tenant acknowledges that Landlord does not assume any responsibility for the security of persons or property in, upon or about the Premises or the Building. Tenant expressly releases Landlord from any liability for theft, burglary, or damage or injury to persons or property caused by the persons gaining access to the Building or the Premises, except as occasioned by the active negligence or willful misconduct of Landlord or its authorized representatives ("Covered Claims"). Tenant shall indemnify and defend Landlord from and against all such Covered Claims by Tenant's agents, contractors, employees, subtenants, licensees, invitees and visitors. Te

12.2 Services by Landlord: Tenant shall be entitled to use the parking spaces on a non-reserved basis; however Tenant acknowledges that Landlord does not monitor the parking on the Property. Tenant will pay the utility costs associated with all Landlord services provided to the Premises in accordance with Section 8.1 above. Tenant will provide for its own janitorial service for the Premises, at Tenant's own cost and expense. Tenant agrees to cooperate with Landlord and to abide by all rules and restrictions that Landlord may prescribe for the proper functioning and protection of heating, ventilating and air conditioning systems. Tenant acknowledges that the controls for the HVAC service to the Premises are located within the Premises and Tenant shall cause the HVAC to be turned on in the morning and off every evening. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall it constitute a constructive eviction of the Tenant, nor shall the Rent be reserved or abated by reason of (a) the installation, use or interruption of use of any equipment in connection with furnishing any of the foregoing services, or (b) the failure to furnish or delay in furnishing any such service when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord or by the making of necessary repairs or improvements to the Premises or the Building, unless occasioned by the negligence or willful misconduct of Landlord.

12.3 Common Area: Intentionally Deleted.

12.4 Security: Tenant may install its own security system for the Premises, at its sole cost and expense. Installation of the security system shall be in accordance with Section 11 of this Lease.

13. INSURANCE.

13.1 Types of Insurance: Tenant shall maintain in full force and effect at all times during the Term of this Lease, at Tenant's sole cost and expense, for the protection of Tenant and Landlord, the following policies of insurance:

13.1.1 Commercial General Liability Insurance (or its equivalent approved by Landlord in its reasonable discretion, if such policy form is no longer issued) insuring, among other liabilities, claims arising out of bodily injury, personal injury and property damage arising out of Tenant's operations and contractual liabilities, including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity set forth in Section 14 of this Lease, in limits not less than Three Million Dollars ($3,000,000) combined single limit for each occurrence for bodily injury, personal injury and property damage liability. Such insurance shall insure, on an occurrence basis, against all liability of Tenant, its employees, and agents arising out of or in connection with Tenant's use of the Premises;

13.1.2 Worker's Compensation and Employer's Liability Insurance, as required

by law;

13.1.3 "All Risk" or "Special Purpose" Property Insurance for Tenant's personal property, including without limitation, sprinkler leakage, and if the property of any of Tenant's invitees, vendors or customers is to be kept in the Premises, warehouser's legal liability or bailee's customer insurance. All insurance under this Section 13.1.3 will be written on a replacement cost basis (without deduction for depreciation) in an amount equal to One Hundred Percent (100%) of the full replacement value of any property damaged; and

13.1.4 Such other insurance or higher limits of liability as is then customarily required for similar types of buildings within the general vicinity of the Building as may be required by any of Landlord's lenders.

13.2 Insurance Policies: Insurance required to be maintained by Tenant shall be written by companies (i) licensed to do business in the State of California, (ii) domiciled in the United States of America, and (iii) having a "General Policyholders Rating" of at least A:X (or such higher rating as may be required by a lender having a lien on the Premises) as set forth in the most current issue of "A.M. Best's Rating Guides." Any deductible amounts under any of the insurance policies required hereunder shall not exceed Five Thousand Dollars ($5,000). Tenant shall deliver to Landlord certificates of insurance and true and complete copies of any and all endorsements required herein for all insurance required to be maintained by Tenant hereunder at the time of execution of this Lease by Tenant. Tenant shall, at least fifteen (15) days prior to expiration of each policy, furnish Landlord with certificates of renewal or "binders" thereof. Each certificate shall expressly provide that such policies shall not be cancelable or otherwise subject to material modification except after thirty (30) days prior written notice to the parties named as additional insureds as required in this Lease (except for cancellation for nonpayment of premium, in which event cancellation shall not take effect until at least ten (10) days' notice has been given to Landlord).

13.3 Additional Insureds and Coverage: Each of Landlord, Landlord's property management company or agent, and Landlord's lender(s) having a lien against the Premises or any other portion of the Property shall be named as additional insureds or loss payees (as applicable) under all of the policies required in Section 13. Additionally, all of such policies shall provide for severability of interest. All insurance to be maintained by Tenant shall, except for workers' compensation and employer's liability insurance, be primary, without right of contribution from insurance maintained by Landlord. Any umbrella/excess liability policy (which shall be in "following form") shall provide that if the underlying aggregate is exhausted, the excess coverage will drop down as primary insurance. The limits of insurance maintained by Tenant shall not limit Tenant's liability under this Lease. It is the parties' intention that the insurance to be procured and maintained by Tenant as required herein shall provide coverage for any and all damage or injury arising from or related to Tenant's operations of its business and/or Tenant's or Tenant's officers, directors, agents, employees, invitees and contractors' (collectively, the "Tenant's Representatives") use of the Premises and any of the areas within the Building. Notwithstanding anything to the contrary contained herein, to the extent Landlord's

cost of maintaining insurance with respect to the Building is increased as a result of Tenant's acts, omissions, Alterations, improvements, use or occupancy of the Premises, Tenant shall pay one hundred percent (100%) of, and for, each such increase as Additional Rent.

13.4 Failure of Tenant to Purchase and Maintain Insurance: If Tenant fails to obtain and maintain the insurance required herein throughout the Term of this Lease, Landlord may, but without obligation to do so, purchase the necessary insurance and pay the premiums therefore. If Landlord so elects to purchase such insurance, Tenant shall promptly pay to Landlord as Additional Rent, the amount so paid by Landlord, upon Landlord's demand therefore. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all losses, damages, expenses and costs which Landlord may sustain or incur by reason of Tenant's failure to obtain and maintain such insurance.

13.5 Waiver of Subrogation: Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss of, or damage to, either parties' property to the extent that such loss or damage is insured by an insurance policy required to be in effect at the time of such loss or damage. Each party shall obtain any special endorsements, if required by its insurer, whereby the insurer waives its rights of subrogation against the other party. This provision is intended to waive fully, and for the benefit of the parties hereto, any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier.

14. INDEMNITY AND LIMITATION OF LIABILITY.

14.1 Indemnity: Except to the extent of damage resulting from the sole gross negligence or willful misconduct of Landlord or its authorized representatives, Tenant agrees to indemnify and defend (with counsel reasonably acceptable to Landlord) Landlord and Landlord's lenders, partners, members, agents, directors, officers, employees, representatives, contractors, successors and assigns (collectively, the "Indemnitees") from and against all liabilities, damages, demands, penalties, costs, claims, losses, judgments, charges and expenses (including reasonable attorneys' fees, costs and expenses) (collectively, "Claims") arising from or in any way related to, directly or indirectly, (i) Tenant's or Tenant's Representatives' use or occupancy of the Premises and other portions of the Building, (ii) the conduct of Tenant's business, or (iii) Tenant's failure to perform any covenant or obligation of Tenant under this Lease. Tenant agrees that the obligations of Tenant herein shall survive the expiration or earlier termination of this Lease.

14.2 Limitation of Liability: Except to the extent of damage resulting from the sole gross negligence or willful misconduct of Landlord or its authorized representatives, to the fullest extent permitted by law, Tenant agrees that neither Landlord nor any of the Indemnitees shall at any time or to any extent whatsoever be liable, responsible or in any way accountable for any loss, liability, injury, death or damage to persons or property which at any time may be suffered or sustained by Tenant or by any person(s) whomsoever who may at any time be using, occupying or visiting the Premises or any other portion of the Building, including, but not limited to, any acts, errors or

omissions of any other tenants or occupants of the Building. Tenant shall not, in any event or circumstance, be permitted to offset, avoid, mitigate, diminish or otherwise credit against any payments of Rent required herein for matters for which Landlord may be liable hereunder.

15. ASSIGNMENT AND SUBLEASING.

15.1 Prohibition: Except for Permitted Transfers (as defined below), Tenant shall not, without the prior written consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed), assign, sublease, grant any license or concession or otherwise transfer this Lease or any interest herein, permit any assignment or other such transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and Tenant's Representatives (all of the foregoing are sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is sometimes referred to as a "Transferee"). No consent to any Transfer shall constitute a waiver of the provisions of this Section 15, and all subsequent Transfers may be made only with the prior written consent of Landlord, which consent shall not be unreasonably withheld, but which consent shall be subject to the provisions of this Section 15. Landlord's consent shall not be required for any Transfer to an affiliate, subsidiary of Tenant in which Tenant owns no less than fifty percent (50%) of the ownership interest or an entity that has purchased all or substantially all of Tenant's assets. Any Transfer to an affiliated entity shall not be effective until the Transferee assumes all of the obligations under this Lease in writing to Landlord.

15.2 Request for Consent: If Tenant seeks to make a Transfer, Tenant shall notify Landlord, in writing, and deliver to Landlord at least thirty (30) days (but not more than one hundred eighty (180) days) prior to the proposed commencement date of the Transfer (the "Proposed Effective Date") the following information and documents (the "Tenant's Notice"): (i) a description of the portion of the Premises to be transferred (the "Subject Space"); (ii) all of the terms of the proposed Transfer including without limitation, the Proposed Effective Date, the name and address of the proposed Transferee, and a copy of the existing or proposed assignment, sublease or other agreement governing the proposed Transfer; (iii) current financial statements of the proposed Transferee certified by an officer, member, partner or owner thereof, and any such other information as Landlord may then reasonably require, including without limitation, audited financial statements for the previous three (3) most recent consecutive fiscal years; (iv) the Plans and Specifications (defined below), if any; and (v) such other information as Landlord may then reasonably require. Tenant shall give Landlord the Tenant's Notice by registered or certified mail addressed to Landlord at Landlord's Address specified in the Basic Lease Information. Within fifteen (15) days after Landlord's receipt of the Tenant's Notice (the "Landlord Response Period") Landlord shall notify Tenant, in writing, of its determination with respect to such requested proposed Transfer and the election to recapture the Subject Space. If Landlord elects to recapture the Subject Space, Tenant may withdraw its request for consent within twenty (20) days thereafter ("Tenant's Request Withdrawal") and this Lease will continue in full force and effect. If Landlord does not elect to recapture pursuant to the provisions of Section 15.5 hereof

and Landlord does consent to the requested proposed Transfer, Tenant may thereafter assign its interests in and to this Lease or sublease all or a portion of the Premises to the same party and on the same terms as set forth in the Tenant's Notice. If Landlord fails to respond to Tenant's Notice within Landlord's Response Period, then, the proposed Transfer shall then be deemed disapproved by Landlord. As Additional Rent hereunder, Tenant shall upon the Transfer pay to Landlord, a transfer fee in the amount of [redacted] ("Transfer Fee"), plus Tenant shall promptly reimburse Landlord for actual and reasonable legal and other expenses incurred by Landlord in connection with any actual or proposed Transfer. This Transfer Fee is due at the time that any request for Transfer is made.

15.3 Criteria for Consent: Tenant acknowledges and agrees that, among other circumstances for which Landlord could reasonably withhold consent to a proposed Transfer, it shall be reasonable for Landlord to withhold its consent where (i) Tenant is or has been in default of its obligations under this Lease beyond applicable notice and cure periods; (ii)) the use to be made of the Premises by the proposed Transferee is prohibited under this Lease or differs from the uses permitted under this Lease, (iii) the proposed Transferee or its business is subject to compliance with additional requirements of the ADA beyond those requirements which are applicable to Tenant, unless the proposed Transferee shall (a) first deliver plans and specifications for complying with such additional requirements (the "Plans and Specifications") and obtain Landlord's written consent thereto, and (b) comply with all Landlord's conditions contained in such consent, (iv) the proposed Transferee does not intend to occupy a substantial portion of the Premises assigned or sublet to it, (v) Landlord reasonably disapproves of the proposed Transferee's business operating ability or history or creditworthiness of the business to be conducted by the proposed Transferee at the Premises, (vi) the proposed Transfer would cause Landlord to violate another agreement or obligation to which Landlord is a party or otherwise subject, or (vii) Landlord otherwise reasonably determines that the proposed Transfer would have the effect of decreasing the value of the Building.

15.4 Effectiveness of Transfer and Continuing Obligations: Prior to the date on which any permitted Transfer becomes effective, Tenant shall deliver to Landlord (i) a counterpart of the fully executed Transfer document, and (ii) Landlord's standard form of Consent to Assignment or Consent to Sublease attached hereto as Exhibit E, as applicable, executed by Tenant and the Transferee in which each of Tenant and the Transferee confirms its obligations pursuant to this Lease. Failure or refusal of a Transferee to execute any such consent instrument shall not release or discharge the Transferee from its obligation to do so or from any liability as provided herein. The voluntary, involuntary or other surrender of this Lease by Tenant, or a mutual cancellation by Landlord and Tenant, shall not work a merger, and any such surrender or cancellation shall, at the option of Landlord, either terminate all or any existing subleases or operate as an assignment to Landlord of any or all of such subleases. Each permitted Transferee shall assume and be deemed to assume this Lease and shall be and remain liable jointly and severally with Tenant for payment of Rent and for the due performance of, and compliance with all the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed or complied with, for the Term of this Lease. No Transfer shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee) to perform any of the terms,

covenants and conditions of this Lease. For purposes hereof, if Tenant is a business entity, direct or indirect transfer of fifty percent (50%) or more of the ownership interest of the entity (whether in a single transaction or in the aggregate through more than one transaction) shall be deemed a change in Control and shall be subject to the provisions of Section 15.8 hereof. Any and all options, first rights of refusal, tenant improvement allowances and other similar rights granted to Tenant in this Lease, if any, shall not be assignable by Tenant unless expressly authorized in writing by Landlord. Any transfer made without Landlord's prior written consent, shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a material default by Tenant of this Lease.

15.5 Recapture: Landlord shall have the right, to be exercised by giving written notice to Tenant within fifteen (15) days from receipt of Tenant's Notice, to recapture the Subject Space described in the Tenant's Notice, subject to Tenant's Request Withdrawal. If such recapture notice is given, it shall serve to terminate this Lease with respect to the proposed Subject Space, or, if the proposed Subject Space covers all the Premises, it shall serve to terminate the entire Term of this Lease, in either case, as of the Proposed Effective Date. If this Lease is terminated pursuant to the foregoing provisions with respect to less than the entire Premises, the Rent shall be adjusted on the basis of the proportion of rentable square feet retained by Tenant to the rentable square feet originally demised and this Lease as so amended shall continue thereafter in full force and effect. Notwithstanding the foregoing, Landlord shall not recapture for the purposes of entering into a direct lease with Tenant's proposed transferee.

15.6 Transfer Premium: If Landlord consents to a Transfer, as a condition thereto which the Tenant hereby agrees is reasonable, Tenant shall pay to Landlord, as Additional Rent, [redacted] any "Transfer Premium" received by Tenant from any Transferee. The term "Transfer Premium" shall mean all rent, additional rent and other consideration payable by such Transferee that either initially or over the term of the Transfer exceeds the Rent or pro rata portion of the Rent, as the case may be, for such space reserved in the Lease, less the "Reasonable Costs of the Transfer". "Reasonable Costs of the Transfer" means the actual costs incurred by Tenant in effectuating the Transfer, including the cost of constructing any tenant improvements as required by the Transfer to the extent attributable to the Subject Space, leasing commissions, professional fees associated with space planning and any improvements, and legal fees. If less than all of the Premises is sublet or assigned, then the Transfer Premium shall be determined pro-ratably on a per-square-foot basis.

15.7 Waiver: Notwithstanding any Transfer, or any indulgences, waivers or extensions of time granted by Landlord to any Transferee, or failure by Landlord to take action against any Transferee, Tenant agrees that Landlord may, at its option, proceed against Tenant without having taken action against or joined such Transferee, except that Tenant shall have the benefit of any indulgences, waivers and extensions of time granted to any such Transferee.

15.8 Permitted Transfer: Notwithstanding the foregoing, Tenant may Transfer all or part of its interest in this Lease or all or part of the Premises (a "Permitted Transfer") to the following types of entities (a "Permitted Transferee") without the written consent of Landlord or fulfilling the requirements of the foregoing subsections: (a) any parent, subsidiary or affiliate corporation which Controls (as defined below), is Controlled by or is under common Control with Tenant (collectively, an "Affiliate"); (b) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Tenant, an Affiliate of Tenant, or their respective corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as in both cases (a) and (b), (i) Tenant's obligations hereunder are assumed by the Permitted Transferee; and (ii) the Permitted Transferee satisfies the Net Worth Threshold as of the effective date of the Permitted Transfer; or (c) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity which acquires all or substantially all of Tenant's assets and/or ownership interests, if the Transferee satisfies the Net Worth Threshold as of the effective date of the Transfer; provided, that no such Permitted Transfer is a subterfuge by Tenant to avoid its obligations under this Lease. Tenant shall remain liable for the performance of all of the obligations of Tenant hereunder, or if Tenant no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing, the obligations of Tenant hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease, whether accruing prior to and/or from and after the consummation of the Transfer. No later than ten (10) days prior to the effective date of any Permitted Transfer, Tenant shall (1) notify Landlord in writing of such Permitted Transfer, and (2) furnish Landlord with copies of (A) the instrument effecting any of the foregoing Permitted Transfers, (B) documentation establishing Tenant's satisfaction of the requirements set forth above applicable to any such Permitted Transfer, and (3) evidence of insurance as required under this Lease with respect to the Permitted Transferee (collectively, the “Permitted Transferee Information”). Landlord hereby acknowledges that the prospective transaction effecting a Permitted Transfer (“M&A Activity”) may be non-public and highly confidential. Landlord shall maintain all information on the M&A Activity, including the Permitted Transferee Information strictly confidential. The occurrence of a Permitted Transfer shall not waive Landlord's rights as to any subsequent Transfers. As used herein, the term "Net Worth Threshold" shall mean the proposed Permitted Transferee has a tangible net worth equal to or greater than that of the originally named Tenant as of December 31 of the year prior to the Commencement Date (determined in accordance with generally accepted accounting principles consistently applied and excluding from the determination of total assets all assets which would be classified as intangible assets under generally accepted accounting principles, including, without limitation, goodwill, licenses, trademarks, trade names, copyrights and franchises The term "Control" shall mean the possession of the power to direct or cause the direction of the management and policy of such corporation, partnership, limited liability company or other entity, whether through the ownership of voting securities, by statute or by contract, and whether directly or indirectly through Affiliates.

16. INTENTIONALLY DELETED.

17. SUBORDINATION.

To the fullest extent permitted by law, this Lease, the rights of Tenant under this Lease and Tenant's leasehold interest shall be automatically subject and subordinate at all times to: (i) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building or the Property, and (ii) the lien of any mortgage or deed of trust that may now or hereafter exist for which the Building, ground leases or underlying leases or Landlord's interest or estate in any of said items is specified as security. Notwithstanding the foregoing, Landlord or any such ground lessor, mortgagee, or any beneficiary shall have the right to require this Lease be superior to any such ground leases or underlying leases or any such liens, mortgage or deed of trust. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall attorn to and become the Tenant of the successor in interest to Landlord, provided such successor in interest does not disturb Tenant's use, occupancy or quiet enjoyment of the Premises so long as Tenant is not in material default of the terms and provisions of this Lease. The successor in interest to Landlord following foreclosure, sale or deed in lieu thereof shall not be: (a) liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) subject to any offsets or defenses that Tenant might have against any prior lessor; (c) bound by prepayment of more than one (1) month's Rent, except in those instances when Tenant pays Rent quarterly in advance pursuant to Section 7 hereof, then not more than three months' Rent; or (d) liable to Tenant for any Security Deposit not actually received by such successor in interest to the extent any portion or all of such Security Deposit has not already been forfeited by, or refunded to, Tenant. Landlord shall be liable to Tenant for all or any portion of the Security Deposit not forfeited by, or refunded to Tenant, until and unless Landlord transfers such Security Deposit to the successor-in-interest. Tenant covenants and agrees to execute (and acknowledge if required by Landlord, any lender or ground lessor) and deliver, within five (5) days of a demand or request by Landlord and in the form reasonably requested by Landlord, ground lessor, mortgagee or beneficiary, any additional documents evidencing the priority or subordination of this Lease with respect to any such ground leases or underlying leases or the lien of any such mortgage or deed of trust.

18. RIGHT OF ENTRY.

Landlord and its agents shall have the right to enter the Premises at all reasonable times, upon reasonable prior notice, for purposes of inspection, exhibition, posting of notices, investigation, replacements, repair, maintenance and alteration. It is further agreed that Landlord shall have the right to use any and all means Landlord deems necessary to enter the Premises in an emergency. Landlord shall also have the right to place "for sale" signs on the outside of the Building. Tenant hereby waives any Claim from damages or for any injury or inconvenience to or interference with Tenant's business, or any other loss occasioned thereby except for any Claim for any of the foregoing arising out of the sole active gross negligence or willful misconduct of Landlord or its authorized representatives. Notwithstanding the foregoing, Tenant may designate in writing certain secured areas within the Premises which Landlord will not enter except in an emergency situation or upon no less that twenty-four hours prior written notice for the purpose of inspection.

19. ESTOPPEL CERTIFICATE.

Tenant shall execute (and acknowledge if required by any lender or ground lessor) and deliver to Landlord, within ten (10) days after Landlord provides such to Tenant, a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification), the date to which the Rent and other charges are paid in advance, if any, acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying such defaults as are claimed, and such other matters as
Landlord may reasonably require. Any such statement may be conclusively relied upon by
Landlord and any prospective purchaser or encumbrancer of the Building or other portions of the Property. Tenant's failure to deliver such statement within such time shall be conclusive upon the Tenant that (a) this Lease is in full force and effect, without modification except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's performance; and (c) not more than one month's Rent has been paid in advance, except in those instances when Tenant pays Rent quarterly in advance pursuant to Section 7 hereof, then not more than three months' Rent has been paid in advance.

20. TENANT'S DEFAULT.

The occurrence of any one or more of the following events shall, at Landlord's option, constitute a material default by Tenant of the provisions of this Lease:

20.1 The abandonment of the Premises by Tenant or the vacation of the Premises by Tenant which would cause any insurance policy to be invalidated or otherwise lapse;

20.2 The occurrence of two (2) or more non-material defaults during any one calendar year, or four (4) or more material defaults during the Term;

20.3 The failure by Tenant to make any payment of Rent, Additional Rent or any other payment required hereunder within five (5) days for written notice (such notice being in lieu of any notice required by California Code of Civil Procedure Section 1161). Landlord may, by written notice to Tenant, require Tenant to pay any late Rent with a cashier's check or by wire transfer;

20.4 The failure by Tenant to observe, perform or comply with any of the conditions, covenants or provisions of this Lease (except failure to make any payment of Rent and/or Additional Rent) and such failure is not cured within (i) thirty (30) days from the date that Landlord delivers written notice of such failure to Tenant for all failures other than with respect to the timely delivery by Tenant of a subordination, non-disturbance and attornment agreement (an "SNDA"), a counterpart of a fully executed Transfer document and a consent thereto (collectively, the "Transfer Documents"), an estoppel certificate or insurance certificates, and (ii) the time period, if any, specified in the applicable sections of this Lease with respect to subordination, assignment and sublease, estoppel certificates and insurance. However, Tenant shall not be in default of its obligations hereunder if such failure (other than any failure of Tenant to timely deliver an SNDA, the Transfer Documents, an estoppel certificate or insurance certificates, for which no additional cure period shall be given to Tenant) cannot reasonably be cured within such thirty (30) or ten

(10) day period, as applicable, and Tenant promptly commences, and thereafter diligently proceeds with same to completion, all actions necessary to cure such failure as soon as is reasonably possible, but in no event shall the completion of such cure be later than sixty (60) days after the date on which Landlord delivers to Tenant written notice of such failure, unless Landlord, acting reasonably and in good faith, otherwise expressly agrees in writing to a longer period of time based upon the circumstances relating to such failure as well as the nature of the failure and the nature of the actions necessary to cure such failure; or

20.5 The making of a general assignment by Tenant for the benefit of creditors, the filing of a voluntary petition by Tenant or the filing of an involuntary petition by any of Tenant's creditors seeking the rehabilitation, liquidation, or reorganization of Tenant under any law relating to bankruptcy, insolvency or other relief of debtors and, in the case of an involuntary action, the failure to remove or discharge the same within sixty (60) days of such filing, the appointment of a receiver or other custodian to take possession of substantially all of Tenant's assets or this leasehold, Tenant's insolvency or inability to pay Tenant's debts or failure generally to pay Tenant's debts when due, any court entering a decree or order directing the winding up or liquidation of Tenant or of substantially all of Tenant's assets, Tenant taking any action toward the dissolution or winding up of Tenant's affairs, the cessation or suspension of Tenant's use of the Premises, or the attachment, execution or other judicial seizure of substantially all of Tenant's assets or this leasehold.

21. REMEDIES FOR TENANT'S DEFAULT.

21.1Landlord's Rights: In the event of Tenant's material default under this Lease, and in addition to all other rights and remedies available at law or in equity, Landlord may terminate Tenant's right to possession of the Premises by any lawful means in which case upon delivery of written notice by Landlord this Lease shall terminate on the date specified by Landlord in such notice and Tenant shall immediately surrender possession of the Premises to Landlord. In addition, the Landlord shall have the immediate right of re-entry whether or not this Lease is terminated, and if this right of re-entry is exercised following abandonment of the Premises by Tenant, Landlord may consider any of Tenant's Property left on the Premises to also have been abandoned. No re-entry or taking possession of the Premises by Landlord pursuant to this Section 21.1 shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant. If Landlord relets the Premises or any portion thereof, Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises or any part thereof, including, without limitation, unamortized broker's commissions, reasonable expenses of cleaning, redecorating, and further improving the Premises and other similar costs (collectively, the "Reletting Costs"). Any and all of the Reletting Costs shall be fully chargeable to Tenant and shall not be prorated or otherwise amortized in relation to any new lease for the Premises or any portion thereof. Reletting may be for a period shorter or longer than the remaining term of this Lease. In no event shall Tenant be entitled to any excess rent received by Landlord. No act by Landlord other than giving written notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect

Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. So long as this Lease is not terminated, Landlord shall have the right to remedy any default of Tenant, to maintain or improve the Premises, to cause a receiver to be appointed to administer the Premises and new or existing subleases and to add to the Rent payable hereunder all of Landlord's reasonable costs in so doing, with interest at the maximum rate permitted by law from the date of such expenditure.

21.2Damages Recoverable: If Tenant breaches this Lease and abandons the Premises before the end of the Term, or if Tenant's right to possession is terminated by Landlord because of a breach or default under this Lease, then in either such case, Landlord may recover from Tenant all damages suffered by Landlord as a result of Tenant's failure to perform its obligations hereunder, including without limitation, the unamortized cost of any Tenant Improvements constructed by or on behalf of Tenant pursuant to Exhibit C hereto to the extent Landlord has paid for such improvements, the unamortized portion of any broker's or leasing agent's commission incurred with respect to the leasing of the Premises to Tenant for the balance of the Term of the Lease remaining after the date on which Tenant is in default of its obligations hereunder, and all Reletting Costs, and the worth at the time of the award (computed in accordance with paragraph (3) of Subdivision (a) of Section 1951.2 of the California Civil Code) of the amount by which the Rent then unpaid hereunder for the balance of the Lease Term exceeds the amount of such loss of Rent for the same period which Tenant proves could be reasonably avoided by Landlord and in such case, Landlord prior to the award, may relet the Premises for the purpose of mitigating damages suffered by Landlord because of Tenant's failure to perform its obligations hereunder; provided, however, that even though Tenant has abandoned the Premises following such breach, this Lease shall nevertheless continue in full force and effect for as long as Landlord does not terminate Tenant's right of possession, and until such termination, Landlord shall have the remedy described in Section 1951.4 of the California Civil Code (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations) and may enforce all its rights and remedies under this Lease, including the right to recover the Rent from Tenant as it becomes due hereunder. The "worth at the time of the award" within the meaning of Subparagraphs (a)(1) and (a)(2) of Section 1951.2 of the California Civil Code shall be computed by allowing interest at the rate of ten percent (10%) per annum. Tenant waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179 (or any successor or substitute statute), or under any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any default of Tenant hereunder. Tenant hereby waives for Tenant and for all those claiming under Tenant all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

21.3Rights and Remedies Cumulative: The foregoing rights and remedies of Landlord are not exclusive; they are cumulative in addition to any rights and remedies now or hereafter existing at law, in equity by statute or otherwise, or to any equitable remedies Landlord may have, and to any remedies Landlord may have under bankruptcy laws or laws affecting creditors' rights generally. In addition to all remedies set forth above, if Tenant materially defaults under this Lease, all options granted to Tenant hereunder shall automatically terminate, unless otherwise expressly agreed to in writing by Landlord.

22. HOLDING OVER.

If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such month-tomonth tenancy shall be subject to every other term, covenant and agreement contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the
Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 22 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, and Landlord has provided Tenant with notice of a pending tenancy, then in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all Claims resulting from such failure.

23. LANDLORD'S DEFAULT.

Landlord shall not be considered in default of this Lease unless Landlord fails within a reasonable time to perform an obligation required to be performed by Landlord hereunder. For purposes hereof, a reasonable time shall not be less than thirty (30) days after receipt by Landlord of written notice specifying the nature of the obligation Landlord has not performed; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days, after receipt of written notice, is reasonably necessary for its performance, then Landlord shall not be in default of this Lease if performance of such obligation is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

24. ARBITRATION.

The parties agree that any and all non-monetary disputes, claims or controversies arising out of or relating to this Lease that are not resolved by mutual agreement shall be submitted to mediation before JAMS, Inc. or its successor ("JAMS"). The parties agree to mediate any claims or disputes for a period of fifteen (15) days from the date that the matter is submitted for mediation. If the parties are unable to reach an agreement through mediation, then either party may submit the matter to JAMS for final, binding arbitration, pursuant to the United States Arbitration Act, 9 U.S.C. Sec. 1 et seq. Either party may commence the mediation/arbitration process called for in this Lease by filling a written demand for mediation with JAMS, with a copy to the other party. The arbitration will be conducted in accordance with the provisions of JAMS Streamline Arbitration Rules and Procedures in effect at the time of filing the demand for arbitration. In the event of any conflict between the United States Arbitration Act and the JAMS
Streamline Arbitration Rules, the JAMS rules shall prevail. The parties will cooperate with JAMS and with one another in selecting a mediator and an arbitrator from JAMS's panel of neutrals, and in scheduling the mediation and arbitration proceedings. The mediator and the arbitrator shall not be the same neutral. The parties covenant that they will participate in the mediation and arbitration in good faith. The costs of the mediation will be borne equally by both

parties; the costs of the arbitration shall be borne by the losing party. The provisions of this Section may be enforced by any court of competent jurisdiction.

25. TRANSFER OF LANDLORD'S INTEREST.

If there is any sale or other transfer of the Premises or any other portion of the Property by Landlord or any of Landlord's interest therein, Landlord will automatically be entirely released from all liability under this Lease upon transfer of Security Deposit to the new transferee and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of such transfer. A ground lease or similar long-term lease by Landlord of the entire Building, of which the Premises are a part, shall be deemed a sale within the meaning of this Section 25. Tenant agrees to attorn to such new owner provided such new owner does not disturb Tenant's use, occupancy or quiet enjoyment of the Premises so long as Tenant is not in material default of any of the provisions of this Lease.

26. WAIVER.

No delay or omission in the exercise of any right or remedy of either party on any default by the other party shall impair such a right or remedy or be construed as a waiver. The subsequent acceptance of Rent by Landlord after default by Tenant of this Lease will not be deemed a waiver of such default, other than a waiver of timely payment for the particular Rent payment involved, and does not prevent Landlord from maintaining an unlawful detainer or other action based on such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent and other sums due hereunder shall be deemed to be other than on account of the earliest Rent or other sums due, nor shall any endorsement or statement on any check or accompanying any check or payment be deemed an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or other sum or pursue any other remedy provided in this Lease. No failure, partial exercise or delay on the part of the Landlord in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

27. CASUALTY DAMAGE.

27.1 Casualty: If the Premises or any part thereof [excluding any of Tenant's Property, any Tenant Improvements and any Alterations installed by or for the benefit of Tenant (collectively, the "Tenant's FF&E")] shall be damaged or destroyed by fire or other casualty, Tenant shall give immediate written notice thereof to Landlord. Within sixty (60) days after receipt by Landlord of such notice, Landlord shall notify Tenant, in writing, whether the necessary repairs can reasonably be made, as reasonably determined by Landlord: (a) within one hundred eighty (180) days; or (b) in more than one hundred eighty (180) days, from the date of such notice.

27.1.1 Minor Insured Damage: If the Premises (other than the Tenant's FF&E)

are damaged only to such extent that repairs, rebuilding and/or restoration can be reasonably completed one hundred eighty (180) days, this Lease shall not terminate and, provided that insurance proceeds are available and paid to Landlord to fully repair the damage and/or Tenant otherwise voluntarily contributes any shortfall thereof to Landlord, Landlord shall repair the Premises to substantially the same condition that existed prior to the occurrence of such casualty, except Landlord shall not be required to rebuild, repair, or replace any of Tenant's FF&E. The Rent payable hereunder shall be abated proportionately from the date and to the extent Tenant vacates the affected portions of the Premises until any and all repairs required herein to be made by Landlord are substantially completed but such abatement shall only be to the extent (i) of the portion of the Premises which is actually rendered unusable and unfit for occupancy and only during the time Tenant is not actually using same, and (ii) Landlord receives rental abatement insurance proceeds therefore.

27.1.2 Major Insured Damage: If the Premises (other than the Tenant's FF&E) are damaged to such extent that repairs, rebuilding and/or restoration cannot be reasonably completed, as reasonably determined by Landlord, within two hundred seventy (270) days, then either Landlord or Tenant may terminate this Lease by giving written notice within twenty (20) days after notice from Landlord regarding the time period of repair. If either party notifies the other of its intention to so terminate the Lease, then this Lease will terminate and the Rent will be abated from the date of the occurrence of such damage, provided Tenant diligently proceeds to and expeditiously vacates the Premises (but, in all events Tenant must vacate and surrender the Premises to Landlord by no later than ten (10) business days thereafter or there shall not be any abatement of Rent until Tenant so vacates the Premises). If neither party elects to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Premises, provided insurance proceeds are available and paid to Landlord to fully repair the damage or Tenant voluntarily contributes any shortfall thereof to Landlord (except that Landlord shall not be required to rebuild, repair, or replace any of Tenant's FF&E). During the time when Landlord is prosecuting such repairs to substantial completion, the Rent payable hereunder shall be abated proportionately from the date and to the extent Tenant actually vacates the affected portions of the Premises until any and all repairs required herein to be made by Landlord are substantially completed but such abatement shall only be to the extent (i) of the portion of the Premises which is actually rendered unusable and unfit for occupancy and only during the time Tenant is not actually using same, and (ii) Landlord receives rental abatement insurance proceeds therefore.

27.1.3 Damage Near End of Term: Notwithstanding anything to the contrary contained in this Lease except for the provisions of Section 27.3 below, if the Premises are substantially damaged or destroyed during the last year of then applicable term of this Lease and, at the time of the damage or casualty, no notice regarding the exercise of any Option has been delivered by Tenant, then either Landlord or Tenant may, at their option, cancel and terminate this Lease by giving written notice to the other party of its election to do so within thirty (30) days after receipt by Landlord of notice from Tenant of the occurrence of such casualty. If either party so elects to terminate this Lease, all rights of Tenant hereunder shall cease and terminate

ten (10) days after Tenant's receipt or delivery of such notice, as applicable, and Tenant shall immediately vacate the Premises and surrender possession thereof to Landlord.

27.2Uninsured Casualty: If any portion of the Premises is damaged and is not fully covered by the aggregate of insurance proceeds received by Landlord and any applicable deductible, and Tenant does not voluntarily contribute any shortfall thereof to Landlord, or if the holder of any indebtedness secured by the Premises requires that the insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after the date of notice to Tenant of any such event, whereupon all rights and obligations of Tenant shall cease and terminate hereunder, except for those obligations expressly provided for in this Lease to survive such termination of the Lease.

27.3Tenant's Fault and Lender's Rights: Notwithstanding anything to the contrary contained herein, if the Premises (other than Tenant's FF&E) or any other portion of the Building be damaged by fire or other casualty conclusively determined to have been resulting from the intentional or sole gross negligent acts or omissions of Tenant or any of Tenant's Representatives, (i) the Rent shall not be diminished during the repair of such damage, (ii) Tenant shall not have any right to terminate this Lease due to the occurrence of such casualty or damage, and (iii) Tenant shall be liable to Landlord for the cost and expense of the repair and restoration of all or any portion of the Building caused thereby (including, without limitation, any deductible) to the extent such cost and expense is not covered by insurance proceeds.

27.4Tenant's Waiver: So long as Landlord is using commercially reasonable efforts to complete the repairs and renovations needed as a result of a casualty event, Landlord shall not be liable for any inconvenience or annoyance to Tenant, injury to the business of Tenant, loss of use of any part of the Premises by Tenant or loss of Tenant's Property, resulting in any way from such damage, destruction or the repair thereof, except that, Landlord shall allow Tenant a fair diminution of Rent during the time and to the extent the Premises are actually unusable and unfit for occupancy and Tenant is not using or otherwise occupying same as specifically provided above in this Section 27. With respect to any damage or destruction which Landlord is obligated to repair or may elect to repair, Tenant hereby waives all rights to terminate this Lease or offset any amounts against Rent pursuant to rights accorded Tenant by any law currently existing or hereafter enacted, including but not limited to, all rights pursuant to the provisions of Sections 1932(2.), 1933(4.), 1941 and 1942 of the California Civil Code, as the same may be amended or supplemented from time to time.

28. CONDEMNATION.

If fifty percent (50%) or more of the Premises is condemned by eminent domain, inversely condemned or sold in lieu of condemnation for any public or quasi-public use or purpose ("Condemned"), then either Tenant or Landlord may terminate this Lease by written notice as of the date when physical possession of the Premises is taken and title vests in such condemning authority, and Rent shall be adjusted to the date of termination. Tenant shall not because of such condemnation assert any claim against Landlord or the condemning authority for any

compensation because of such condemnation, and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate of interest or other interest of Tenant; provided, however, the foregoing provisions shall not preclude Tenant, at Tenant's sole cost and expense, from obtaining any separate award to Tenant for loss of or damage to Tenant's Property or for damages for cessation or interruption of Tenant's business provided such award is separate from Landlord's award and provided further such separate award does not diminish nor otherwise impair the award otherwise payable to Landlord. In addition to the foregoing, Tenant shall be entitled to seek compensation for the relocation costs recoverable by Tenant pursuant to the provisions of California Government Code Section 7262. If neither party elects to terminate this Lease, Landlord shall, if necessary, promptly proceed to restore the Premises or the Building, as applicable, to substantially its same condition prior to such partial condemnation, allowing for the reasonable effects of such partial condemnation, and a proportionate allowance shall be made to Tenant, as solely determined by Landlord, for the Rent corresponding to the time during that, and to the part of the Premises of that, Tenant is deprived on account of the partial condemnation and restoration. Landlord is not required to spend funds for restoration in excess of the amount received by Landlord as compensation awarded.

29. ENVIRONMENTAL MATTERS/HAZARDOUS MATERIALS.

Tenant must strictly comply with all statutes, laws, ordinances, rules, regulations, and precautions now or hereafter mandated or advised by any federal, state, local or other governmental agency (collectively, "Environmental Laws") with respect to the use, generation, storage, or disposal of hazardous, toxic, or radioactive materials (collectively, "Hazardous Materials"). As herein used, Hazardous Materials shall include, but not be limited to, those materials identified in Sections 66680 through 66685 of Title 22 of the California Code of Regulations, Division 4, Chapter 30, as amended from time to time, and those substances defined as "hazardous substances," "hazardous materials, "hazardous wastes," "chemicals known to cause cancer or reproductive toxicity," "radioactive materials," or other similar designations in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., 33 U.S.C. Section 1251 et seq., 42 U.S.C. Section 300(f) et seq., 42 U.S.C. 7401 et seq., California Health and Safety Code Section 25249.5 et seq., California Water Code Section 13000 et seq., California Health and Safety Code Section 39000 et seq. and any other Environmental Laws now or hereafter in effect. Tenant shall not cause, or allow anyone else to cause, any Hazardous Materials to be used, generated, stored, or disposed of on or about the Premises, the Building, or the Property other than reasonable quantities of office and cleaning supplies in their retail containers. Tenant shall defend (with counsel approved by Landlord), indemnify and hold Landlord, its trustees, employees and agents, any entity having a security interest in the Premises, the Building, or the Property, and its and their employees and agents (collectively, "Indemnitees") harmless from and against, and shall reimburse the Indemnitees for, all liabilities, claims, costs, damages, and depreciation of property value, including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of Hazardous Materials by Tenant or any person claiming under Tenant, including, without limitation, the cost of any required or necessary investigation, monitoring, repair, cleanup, or detoxification and the preparation of any closure or other required

plans, whether such action is required or necessary prior to or following the termination of this Lease, as well as penalties, fines and claims for contribution to the full extent that such action is attributable, directly or indirectly, to the use, generation, storage, or disposal of Hazardous Materials by Tenant or any person claiming under Tenant. Neither the consent by Landlord to the use, generation, storage, or disposal of Hazardous Materials nor the strict compliance by Tenant with all statutes, laws, ordinances, rules, regulations, and precautions pertaining to Hazardous Materials shall excuse Tenant from Tenant's obligation of indemnification set forth above. Tenant's obligations under this Section 29 shall survive the expiration or termination of this Lease.

30. FINANCIAL STATEMENTS.

Tenant and any permitted Transferee, within twenty (20) days after Landlord's request therefore, but not more often than once annually so long as Tenant is not in material default of this Lease, shall deliver to Landlord the then current audited financial statements of Tenant (including interim periods following the end of the last fiscal year for which annual statements are available. If audited financial statements have not been prepared, Tenant and any permitted Transferee shall provide Landlord with certified, unaudited financial statements and such other information, the type and form of which are acceptable to Landlord in Landlord's reasonable discretion, which reflects the financial condition of Tenant and any permitted Transferee. Landlord shall maintain the confidentiality of the financial statements provided by Tenant hereunder.

31. SIGNS.

All signs and graphics of every kind visible in or from public view or corridors or the exterior of the Premises shall be subject to Landlord's prior written approval and shall be subject to and in compliance with all applicable Laws and the Rules and Regulations. Tenant shall have the right to install a sign on the ground floor entry door, subject to the requirements of this Section. Tenant shall also have the right to listing on the directory board in the lobby area. The lobby directory will be maintained at Landlord's sole cost and expense. In addition, Tenant, at its sole cost and expense, shall have the right to install "eyebrow" signs on the Building that are facing the street, provided that Landlord shall have the right to reasonably approve the signage and Tenant must obtain all applicable approvals and permits for the City of Emeryville.

32. COMMUNICATIONS AND COMPUTER LINES.

Tenant may install, maintain, replace or remove any communications or computer wires and cables (collectively, the "Lines") to serve the Premises, provided that (i) Tenant has obtained Landlord's prior written consent, in Landlord's reasonable discretion; (ii) Tenant uses an experienced and qualified contractor, approved in writing by Landlord, in Landlord's reasonable discretion; (iii) Landlord complies with all other provisions of Sections 10 and 11 of this Lease; (iv) the Lines must be appropriately insulated to prevent excess electromagnetic fields or radiation and shall be surrounded by a protective conduit; and (v) Tenant shall pay all costs in connection therewith. As a condition precedent to the installation of new Lines, Landlord may require that Tenant remove the Lines upon the expiration of the Lease.

33. MORTGAGE OF TENANT'S LEASEHOLD INTEREST.

Notwithstanding any provision in this Lease to the contrary, Tenant may not, without the prior consent of Landlord, which consent may be withheld in its sole and absolute discretion, mortgage, pledge, hypothecate or encumber the leasehold interest granted under this Lease, whether voluntary of by operation of law. Any mortgage effected without the approval of Landlord shall constitute a material default under the Lease. Landlord's approval will not be construed to require Landlord to provide any leasehold mortgagee with any notice of default or otherwise under this Lease.

34. MORTGAGEE PROTECTION.

Upon any default on the part of Landlord, Tenant will give written Notice by registered or certified mail to any beneficiary of a deed of trust or mortgagee of a mortgage covering the Premises who has provided Tenant with notice of their interest and an address for receiving Notice, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial foreclosure, if such should prove necessary to effect a cure. If such default cannot be cured within such time period, then such additional time as may be necessary will be given to such beneficiary or mortgagee to effect such cure so long as such beneficiary or mortgagee has commenced the cure within the original time period and thereafter diligently pursues such cure to completion, in which event this Lease shall not be terminated while such cure is being diligently pursued. Tenant agrees that each lender to whom this Lease has been assigned by Landlord is an express third party beneficiary hereof. Tenant shall not make any prepayment of Rent more than one (1) month in advance without the prior written consent of each such lender, except if Tenant is required to make quarterly payments of Rent in advance pursuant to the provisions of Section 7 above. Tenant waives the collection of any deposit from such lender(s) or any purchaser at a foreclosure sale of such lender(s)' deed of trust unless the lender(s) or such purchaser shall have actually received and not refunded the deposit. Tenant agrees to make all payments under this Lease to the lender with the most senior encumbrance upon receiving a direction, in writing, to pay said amounts to such lender. Tenant shall comply with such written direction to pay without determining whether an event of default exists under such lender's loan to Landlord. If, in connection with obtaining financing for the Premises or any other portion of the Property, Landlord's lender shall request reasonable modification(s) to this Lease as a condition to such financing, Tenant shall not unreasonably withhold, delay or defer its consent thereto, provided such modifications do not materially and adversely affect Tenant's rights hereunder, the Rent, Term or the use, occupancy or quiet enjoyment of Tenant hereunder.

35. WARRANTIES.

Tenant hereby warrants and represents to Landlord, for the express benefit of Landlord, that Tenant has undertaken a complete and independent evaluation of the risks inherent in the execution of this Lease and the operation of the Premises for the use permitted hereby, and that, based upon said independent evaluation, Tenant has elected to enter into this Lease and hereby

assumes all risks with respect thereto. Tenant hereby further warrants and represents to Landlord, for the express benefit of Landlord, that in entering into this Lease, Tenant has not relied upon any statement, fact, promise or representation (whether express or implied, written or oral) not specifically set forth herein in writing and that any statement, fact, promise or representation (whether express or implied, written or oral) made at any time to Tenant, which is not expressly incorporated herein in writing, is hereby waived by Tenant.

36. BROKERAGE COMMISSION.

Landlord and Tenant each represents and warrants for the benefit of the other that it has had no dealings with any real estate broker, agent or finder in connection with the Premises and/or the negotiation of this Lease, except for the Broker(s) specified in the Basic Lease Information, and that it knows of no other real estate broker, agent or finder who is or might be entitled to a real estate brokerage commission or finder's fee in connection with this Lease or otherwise based upon contacts between the claimant and Tenant. Each party shall indemnify and hold harmless the other from and against any and all liabilities or expenses arising out of claims made for a fee or commission by any real estate broker, agent or finder in connection with the Premises and this Lease other than Broker(s), if any, resulting from the actions of the indemnifying party. Unless expressly agreed to in writing by Landlord and Broker(s), no real estate brokerage commission or finder's fee shall be owed to, or otherwise payable to, the Broker(s) for any renewals or other extensions of the initial Term of this Lease or for any additional space leased by Tenant other than the Premises as same exists as of the Lease Date. Tenant further represents and warrants to Landlord that Tenant will not receive (i) any portion of any brokerage commission or finder's fee payable to the Broker(s) in connection with this Lease or (ii) any other form of compensation or incentive from the Broker(s) with respect to this Lease.

37. QUIET ENJOYMENT.

Landlord covenants with Tenant, upon the paying of Rent and observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, and during the periods that Tenant is not otherwise in default of any of the terms or provisions of this Lease, and subject to the rights of any of Landlord's lenders, (i) that Tenant shall and may peaceably and quietly have, hold, occupy and enjoy the Premises during the Term of this Lease, and (ii) neither Landlord, nor any successor or assign of Landlord, shall disturb Tenant's occupancy or enjoyment of the Premises. The foregoing covenant is in lieu of any other covenant express or implied.

38. GENERAL PROVISIONS.

38.1Time. Time is of the essence in this Lease and with respect to each and all of its provisions in which performance is a factor.

38.2Successors and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

38.3Recordation. Tenant shall not record this Lease or a short form memorandum hereof.

38.4Landlord Exculpation. The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease, except for a failure of Landlord to transfer the Security Deposit to any successor to Landlord, shall be limited to the actual interest of Landlord and its present or future partners or members in the Building, and Tenant agrees to look solely to Landlord's interest in the Building for satisfaction of any liability and shall not look to other assets of Landlord nor seek any recourse against the assets of the individual partners, members, directors, officers, shareholders, agents or employees of Landlord, including without limitation, any property management company of Landlord (collectively, the "Landlord Parties"). It is the parties' intention that Landlord and the Landlord Parties shall not in any event or circumstance be personally liable, in any manner whatsoever, for any judgment or deficiency hereunder or with respect to this Lease. The liability of Landlord under this Lease is limited to its actual period of ownership of title to the Building.

38.5Severability and Governing Law. Any provisions of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions hereof and such other provision shall remain in full force and effect. This Lease shall be governed by, and construed in accordance with, the laws of the State of California.

38.6Attorneys' Fees. In the event any dispute between the parties arises, regardless of whether such disputes results in litigation or other proceeding, the prevailing party shall be reimbursed by the party not prevailing for all reasonable costs and expenses, including, without limitation, reasonable attorneys' and experts' fees and costs incurred by the prevailing party in connection with such litigation or other proceeding, and any appeal thereof. Such costs, expenses and fees shall be included in and made a part of the judgment recovered by the prevailing party, if any. The prevailing party is also entitled to any and all costs incurred in the collection of any judgment.

38.7Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Lease. The parties acknowledge that (i) each party

and/or its counsel have reviewed and revised this Lease, and (ii) no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation or enforcement of this Lease or any amendments or exhibits to this Lease or any document executed and delivered by either party in connection with this Lease.

38.8Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Lease (the "Notices") shall be in writing, shall be given only in accordance with the provisions of this Section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours; (b) upon the day of delivery if the notice has been deposited in a authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested; or (c) one (1) business day after the notice has been deposited with either FedEx or United Parcel Service to be delivered by overnight delivery. All notices shall be delivered (i) to Tenant at the Tenant's Address set forth in the Basic Lease Information, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at Landlord's Address set forth in the Basic Lease Information, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant.

38.9Joint and Several; Covenants and Conditions. If Tenant consists of more than one person or entity, the obligations of all such persons or entities shall be joint and several. Each provision to be performed by Tenant hereunder shall be deemed to be both a covenant and a condition.

38.10Authority. If either Tenant or Landlord is a corporation, trust or partnership, each individual executing the Lease on behalf of Tenant or Landlord, as applicable, hereby represents and warrants that Tenant or Landlord is a duly formed and validly existing entity qualifies to do business in California and that Tenant or Landlord has the full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant or Landlord is authorized to do so. In such event, Tenant shall, within ten (10) business days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in California.

38.11Confidentiality. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Landlord acknowledges that the business plans and financial information of Tenant is confidential information. Each of the parties agrees it shall keep and maintain such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than the other party's financial, legal and space planning consultants. Tenant shall notify all parties that have knowledge of the terms of this Lease, including all relevant employees, in writing as to the existence of this confidentiality covenant.

38.12Landlord Renovations. Tenant acknowledges that Landlord may from time to time, at Landlord's sole option, renovate, improve, develop, alter, or modify (collectively, the "Renovations") portions of the Building, Premises, and the Property, including without limitation, the systems, equipment, roof, the Building and structural portions of the same, which Renovations may include, without limitation, (i) modifying any portion of the Building, including the Premises to comply applicable Laws, including regulations relating to the physically disabled, seismic conditions, and safety and security; or (ii) creating additional parking areas or occupied space on the Property. The Renovations may also include any improvement or renovation done to increase the safety or security of the Building in excess of the requirements required by the Laws, as Landlord determines to be necessary in its sole and absolute discretion. In connection with the Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Building, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Similarly, other properties in the vicinity of the Building may undergo substantial construction or renovation during the Term, which may cause substantial disturbance to traffic and parking, and may cause dust, noise and vibration which may affect the Premises. Landlord shall use commercially reasonable efforts to minimize disruption to Tenant's business. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility, or for any reason be liable to Tenant, for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's Property, Alterations or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations.

38.13Joint and Several. The obligations of Tenant shall be joint and several between all entities names as "Tenant" hereunder.

38.14Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

38.15Accessibility. As of the Effective Date, there has been no inspection of the Property by a Certified Access Specialist ("CASp"), as referenced in Section 1938 of the California Civil Code. A CASp can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of fees for the CASp inspection, and the cost of making any repairs necessary to correct violations of the constructionrelated accessibility standards within the Premises. Tenant is hereby advised that any CASp inspection shall be at

Tenant's sole cost and expense and that any violation within the Premises or on the Property shall be the responsibility of Tenant to correct.

38.16OFAC Representation. For purposes hereof, "List" shall mean the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and "OFAC" shall mean the Office of Foreign Assets Control, Department of the Treasury. Each party represents and warrants to the other that (i) each Person owning a ten percent (10%) or greater interest in such party is (A) not currently identified on the List, and (B) is not a person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States and (ii) each party has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. Each party shall comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect and shall use reasonable efforts to notify the other in writing if any of the forgoing representations, warranties or covenants are no longer true or have been breached or if such party has a reasonable basis to believe that they may no longer be true or have been breached. In addition, at the request of a party, the other party shall provide such information as may be requested by the requesting to determine the other party's compliance with the terms hereof.

[Remainder of page intentionally left blank. Signatures on following page.]

IN WITNESS WHEREOF, this Lease is executed by the parties as of the Lease Date referenced on Page i of this Lease.

LANDLORD:	**TENANT:**
PARK AVENUE BUILDING, LLC, **a California limited liability company** **By: /s/David Bruck** **David Bruck,** **Manager**	**METAGENOMI, INC.,** **a Delaware corporation** **By: /s/ Brian C. Thomas** Brian C. Thomas **Name:** _____ **Title:** _____CEO

EXHIBIT A

PREMISES DESCRIPTION

All that certain real property situated in the City of Emeryville, County of Alameda, State of California, described as follows:

PARCEL ONE:

Beginning at a point on the eastern line of Hubbard Street, distant thereon southerly 125 feet from the intersection thereof with the southern line of Park Avenue, as said street and avenue are shown on the map hereinafter referred to; running thence southerly along said line of Hubbard Street, 50 feet; thence at right angles easterly 133 feet; thence at right angles northerly 50 feet; and thence at right angles westerly 133 feet to the point of beginning.

Being a portion of Block 24 as said block is shown on the "Map of art of Plot 6, Kellersberger's Survey of Vicente & Domingo Peralta Rancho, Property of J. S. Emery", etc., filed March 1, 1889 in Book 19 of Maps at Page 68 in the office of the County Recorder of Alameda County.

PARCEL TWO:

Beginning at the point of intersection of the southern line of park Avenue with the eastern line of Hubbard Street, as said avenue and street are shown on the map hereinafter referred to; running thence southerly along said line of Hubbard Street, 125 feet; thence at right angles easterly 106 feet, 6 inches; thence at right angles northerly 125 feet to said line of Park Avenue; and thence westerly along said line of Park Avenue, 106 feet, 6 inches to the point of beginning.

Being Lots 17 and 18 in Block 24 as said lots and block are shown on the "Map of Part of Plot 6, Kellersberger's Survey of Vicente & Domingo Peralta Rancho, property of J. S. Emery", etc., filed March 1, 1889 in Book 19 of Maps at Page 68 in the office of the County Recorder of Alameda County.

PARCEL THREE:

The western 26.50 feet, front and rear measurement, of Lot 19 in Block 24, as said lot and block are shown on the "Map of part of Plot 6 Kellersberger's Survey of Vincente & Domingo Peralta Rancho", filed March 1, 1889 in Book 19 of Maps at Page 68 in the office of the County Recorder of Alameda County.

APN: 049-0617-007-01
ARB: None

EXHIBIT B

- A 1 -

COMMENCEMENT DATE AMENDMENT 1485 PARK AVENUE

Re: Lease, dated September 29, 2021, between PARK AVENUE BUILDING, LLC, a California limited liability company ("Landlord"), and METAGENOMI, INC., a Delaware corporation ("Tenant"), and for Premises known as 1485 Park Avenue, Emeryville, California.

Tenant hereby verifies that the dates stated below are correct and further acknowledges and accepts possession of the Premises.

Commencement Date: _____
Rent Commencement Date: _____
Termination Date: _____

LANDLORD: **TENANT:**

PARK AVENUE BUILDING, LLC, a California limited liability company
METAGENOMI, INC., a Delaware corporation

By: _____ By: _____ David Bruck Name: __ Manager Title:

TENANT WORK LETTER

This "Tenant Work Letter" will set forth the terms and conditions of the Work (as defined below) to be performed by Tenant. The term "Work" means the preparation and installation of the Tenant Improvements (as defined below), as more particularly described in this Tenant Work Letter. All terms not defined herein will have the meaning attributed to them in the Lease.

1.Condition of the Premises.

EXHIBIT C

Landlord will deliver the Premises in its "as-is" condition, broom-clean with the roof, foundation, parking lot and existing Building systems in good working order and condition. Landlord will, at its sole cost and expense, ensure that all utilities are accessible and operable prior to the installation of the Tenant Improvements. All Work performed inside the exterior perimeter of the Premises, including the surfaces of any floors or ceilings, will be performed by Tenant at the expense of Tenant.

2.Tenant Improvements.

The "Tenant Improvements" consist of improvements constructed in the Premises pursuant to the plans and specifications mutually approved by Landlord and Tenant.

3.Tenant Improvement Allowance.

Tenant is entitled to a one-time tenant improvement allowance (the "Tenant Improvement Allowance") in the amount of up to [redacted] for the design and construction of the Tenant Improvements. The Tenant Improvement Allowance may be used for all actual costs incurred performing the Work, including without limitation architecture, design, engineering, and permitting (collectively, "Soft Costs"); provided, however, that in no event shall the amount of Soft Costs exceed ten percent (10%) of the Tenant Improvement Allowance. In no event will Landlord be obligated for any costs in excess of the Tenant Improvement Allowance. No credit will be given for any unused portion of the Tenant Improvement Allowance.

Provided that Tenant is not in default hereunder beyond any applicable grace period, the Tenant Improvement Allowance shall be disbursed to Tenant, or as designated by Tenant, to Tenant's architect and/or General Contractor, on a monthly basis for costs theretofore incurred by Tenant for which the Tenant Improvement Allowance is applicable within thirty (30) days after Tenant has provided Landlord with a written request for such payment, together with (i) copies of all government approvals theretofore required, (ii) confirmation of the portion of the Work theretofore completed, certified by Tenant's architect and/or General Contractor, as appropriate, on standard AIA forms and (iii) partial lien waivers (conditioned solely on payment of the payment amount requested) and progress payment affidavits from General Contractor and from all subcontractors. Landlord shall be permitted to hold a retainage equal to the greater of 10% of

any payment or the retainage amount specified in the contract with General Contractor. Landlord shall not be required to make final payment of the Allowance until thirty (30) days after Tenant has taken occupancy of the Premises and Landlord has received, in addition to the items required under clauses (i) and (ii) above, final lien waivers and affidavits from General Contractor and all subcontractors.

4. Plans and Specifications.

Tenant, through its architect (the "Architect") and its engineers (the "Engineers"), (the Architect and the Engineers to be selected by Tenant subject to reasonable agreement of Landlord will prepare the architectural, mechanical and electrical plans ("Construction Plans") required for the installation of the Tenant Improvements, if any. Tenant will consult with Landlord, Architect, and the Engineers in the preparation of the Construction Plans.

4.1Landlord's Review of Construction Plans. The Construction Plans are subject to the written approval of Landlord, which will be provided within ten (10) business days of receipt by Landlord and will not be unreasonably withheld, conditioned or delayed.

4.2Changes to the Construction Plans. If Landlord reasonably disapproves of the Construction Plans, it shall do so in writing providing reasonably detailed specificity as to the reason for the disapproval, and Tenant will cause Architect and the Engineers to modify the Construction Plans, where appropriate. Landlord will then have an additional five (5) business days to review the revised Construction Plans. Failure of Landlord to approve or disapprove of the Construction Plans within said 5-day period will constitute disapproval of the Construction Plans.

5. Permits.

Tenant will submit the final Construction Plans to all appropriate municipal authorities in order to secure the permits needed for the Work (the "Permits").

6. Contractor.

Subject to the reasonable approval of Landlord, Tenant will retain a contractor to construct the Tenant Improvements in accordance with this Tenant Work Letter (the "Contractor"). Tenant shall, prior to construction of the Tenant Improvements, cause the Contractor and any subcontractor(s) to provide insurance as reasonably required by Landlord.

7. Representatives.

7.1Tenant hereby designates Arthur Salmon and Michael Charney (Spectrum Project Management Group) or their designee as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, has full authority and responsibility to act on behalf of Tenant as required in this Tenant Work Letter.

7.2Landlord hereby designates David Bruck as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, has full authority and responsibility to act on behalf of Landlord as required in this Tenant Work Letter.

8. Landlord Supervision Fee.

Tenant will pay to Landlord a construction supervision and management fee ("Landlord Supervision Fee") equal to three percent (3%) of the total cost of the Tenant Improvements, including any costs in excess of the Tenant Improvement Allowance, which fee may be paid with funds from the Tenant Improvement Allowance.

9. Ownership of Tenant Improvements.

Upon termination of the Lease, all Tenant Improvements that are permanently affixed to the Premises, or that are paid for with the Tenant Improvement Allowance, will become the property of Landlord. Depreciation of the Tenant Improvements will be allocable to the parties pro-rata in proportion to their payment of the Tenant Improvements.

10.Work Free from Liens.

Tenant will keep the property and the Premises free and clear of liens, claims, security interests or other encumbrances arising out of the Work. Tenant will bond or otherwise remove any filed lien within ten (10) days after notice of the existence of the lien.

EXHIBIT D

RULES AND REGULATIONS

1. The sidewalks, halls, passages, exits, entrances, elevators, escalators, and stairways of the Building shall not be obstructed by Tenants or used by them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, elevators, escalators and stairways are not for the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its Tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom any Tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No Tenant and no agent, contractor, employee, subtenant, licensee, invitee or visitor of any Tenant shall go upon the roof of the Building.

2. No sign, placard, picture, name, advertisement, or notice visible from the exterior of any Tenant's premises shall be inscribed, painted, affixed, or otherwise displayed by any Tenant on any part of the Building without the prior written consent of Landlord. Landlord will adopt and furnish to Tenant general guidelines relating to signs inside the Building on the office floors. Tenant agrees to conform to such guidelines but may request approval of Landlord for modifications, which approval will not be unreasonably withheld. All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of the Tenant by a person approved by Landlord, which approval will not be unreasonably withheld. Material visible from outside the Building will not be permitted. Landlord may remove any sign or material that does not conform to the foregoing requirements without any liability to Tenant, and Landlord may charge Tenant for the cost of any such removal.

3. The premises shall not be used for the storage of merchandise held for sale to the general public (except for customary amounts of inventory held in the usual course of business) or for lodging.

4. Tenant shall maintain the portions of its premises that are visible from the outside of the Building, from the hallways, or any other public areas of the Building in a neat, clean, and orderly condition.

5. No Tenant shall employ any person or persons other than a janitorial service approved by Landlord for the purpose of cleaning the premises, unless otherwise agreed to by Landlord in writing. Except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning the same. No Tenant shall cause any unnecessary labor by reason of such Tenant's carelessness or indifference in the preservation of good order and cleanliness.

6. No Tenant shall alter any lock or install a new or additional lock or any bolt on any door of its premises without providing Landlord with keys or access cards for those locks immediately upon alteration.

7. No furniture, freight, or equipment of any kind shall be brought into the Building without the prior written consent of Landlord. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord and provide Liability Insurance and Workman's Compensation coverage naming the Landlord and Management Company as additional insureds. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property shall be repaired at the expense of Tenant.

8. No Tenant shall place any items whatsoever on the roof of the Building without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion.

9. No Tenant shall use or keep in the premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material other than limited quantities thereof reasonably necessary for the operation or maintenance of customary office equipment. Without Landlord's prior written approval, no Tenant shall use any method of heating or air-conditioning other than that supplied by Landlord. No Tenant shall use or keep or permit to be used or kept any foul or noxious gas or substance in the premises, or permit the premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, or interfere in any way with other Tenants or those having business therein. Each Tenant, at its sole cost and expense, shall install and maintain in good working order a fire extinguisher next to any duplicating or photocopying machine or similar heat generating equipment in its premises.

10. Landlord shall have the right, upon 90 days' prior notice and without liability to any Tenant, to change the name and street address of the Building.

11. Handicap lift is to be used only by individuals needing access assistance. The handicap lift is not to be used to move furniture, supplies or any other items.

12. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window or the Building without the prior written consent of Landlord. In any event, with the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building.

13. No Tenant shall obtain for use in the premises ice, drinking water, food, beverage, towel or other similar services, except at such reasonable regulations as may be fixed by Landlord.

Landlord agrees to allow tenant to maintain bottled water service, coffee and tea service, and a soda vending machine in the premises, subject to Landlord's reasonable regulation.

14. Each Tenant shall ensure the doors of its premises are closed and locked and that all water faucets, water apparatus and utilities are shut off before Tenant or Tenant's employees leave the premises, so as to prevent waste or damage. For any default or carelessness in this regard Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Landlord. On multiple-tenancy floors, all Tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress.

15. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose agents, contractors, employees, subtenants, licensees, invitees or visitors shall have caused it.

16. No Tenant shall use or permit the use of any premises for a physician's or dentist's office, a dance or music studio, a school, a beauty salon or barber shop, a theater or exhibition hall, or for any business that would tend to generate a large amount of foot traffic in or about the Building. No Tenant shall sell, or permit the sale at retail, or newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the premises. No Tenant shall carry on, or permit or allow any employee or other person to carry on, the business of stenography, typewriting, copying, printing or any similar business in or from the premises of any Tenant be used for manufacturing of any kind or for the storage of merchandise or for the sale of merchandise, goods or property of any kind at auction, or for any business or activity other than that specifically provided for in such Tenant's lease.

17. No Tenant shall install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building.

18. No Tenant shall bring into or keep within the Building, or within its premises, animals or birds. If its premises become infested with vermin, as a result of the use or any misuse or neglect of the premises by Tenant, its agents, contractors, employees, subtenants, licensees, invitees or visitors, Tenant shall at its sole cost and expense promptly cause the same to be exterminated from time to time to Landlord's satisfaction, and Tenant shall employ such licensed exterminator therefore as shall be approved in writing in advance by Landlord.

19. There shall not be used in any space, or in the public halls of the Building, either by any Tenant or others, any hand trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord may approve. No other vehicles of any kind shall be brought by any Tenant into the Building or kept in or about its premises.

20. Each Tenant shall store all its trash and garbage within its premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the

City of Emeryville without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall only be made through entryways and elevators provided for such purpose and at such times as Landlord shall designate.

21. Canvassing, peddling, soliciting, and distribution of handbills or any other written materials in or about the Building are prohibited, and each Tenant shall cooperate to prevent the same.

22. The requirements of the Tenants will be attended to only upon application by telephone or in writing. Employees or Landlord shall not perform any work of do anything outside of their regular duties unless under special instructions from Landlord.

23. While in the Building, Tenant's contractors shall be subject to and under the control and direction of the manager of the Building. Tenant's contractors shall employ labor that is harmonious and compatible with other labor working in the Building.

24. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular Tenant or Tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other Tenant or Tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the Tenant of the Building.

25. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises in the Building.

26. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building and for the preservation of good order therein.

EXHIBIT E

CONSENT TO SUBLEASE/ASSIGNMENT

This CONSENT TO (SUBLEASE/ASSIGNMENT) (the "Consent") is entered into by and between PARK AVENUE BUILDING, LLC, a California limited liability company ("Landlord"), METAGENOMI, INC., a Delaware corporation ("Tenant") and _____ ("Assignee/Subtenant"), effective as of _____, 20____.

RECITALS

A. Tenant currently leases that certain premises located at 1485 Park Avenue, Emeryville, California (the "Premises") pursuant to that certain Lease (the "Lease"), dated September 29, 2021, by and between Landlord and Tenant.

B. Tenant and Assignee/Subtenant have entered into that certain Assignment/ Sublease (the "Assignment/Sublease"), dated as of _____, 20__, a copy of which is attached hereto as Exhibit A, for (a portion of) the Premises (the "(Subleased) Premises").

C. Section 15 of the Lease requires Landlord's consent for any assignment or sublease. Pursuant to the terms of the Lease and this Consent, Landlord hereby consents to the Assignment/Sublease.

AGREEMENT

1. Consent to Assignment/Sublease. Landlord hereby consents to the Assignment/Sublease. This consent shall apply only to the Assignment/Sublease and shall not be deemed to be a consent to any further sublease or to any assignment.

2. Acknowledgment and Agreement by Assignee/Subtenant. Assignee/Subtenant acknowledges and agrees as follows:

2.1 Assignee/Subtenant hereby assumes the obligations under the Lease to the extent of the Assignment/Sublease. Assignee/Subtenant acknowledges that, to the extent of the Assignment/Sublease, he is liable jointly and severally with Tenant for payment of Rent and for the due performance of, and compliance with all the terms, covenants, conditions and agreements of the Lease.

2.2 (For a Sublease) From and after the date of this Consent, in the event of any act or omission of Tenant that would give Subtenant the right, either immediately or after the giving of notice and passage of time, to terminate the Sublease or to claim a partial or total eviction, Subtenant will not exercise any such right,

2.2.1 Until Subtenant has given written notice of such act or omission to Landlord; and

2.2.2Until the same period of time as is given to Tenant under the Sublease to cure such act or omission, but in all events no less than fifteen (15) days, shall have elapsed following the delivery of such notice to Landlord, without the cure of such act omission.

2.3 (For a Sublease) In the event that Landlord notifies Subtenant of an Event of Default under the Lease and demands that Subtenant pay its rent and all other sums due under the Sublease to Landlord, Subtenant shall honor such demand and pay its rent and all other sums due under the Sublease directly to Landlord or as otherwise required pursuant to such notice. Notwithstanding the foregoing, nothing in this Section 2.3 shall be construed to obligate Landlord to provide Subtenant with notice of any default under the Lease.

2.4 Assignee/Subtenant will send a copy of any notice or statement under the Assignment/Sublease to Landlord at the same time such notice or statement is sent to Tenant.

2.5 The Assignment/Sublease terminates no later than the Term Expiration Date. Should the Lease terminate prior to the Term Expiration Date for any reason whatsoever, the Assignment/Sublease will terminate immediately upon the termination of the Lease.

2.6 Assignee/Subtenant agrees to comply with all the provisions of the Lease, which are hereby incorporated into the Assignment/Sublease. To the extent of any inconsistency, the terms of the Assignment/Sublease will control.

2.7 Assignee/Subtenant agrees to indemnify Landlord to the full extent of the indemnity required by Tenant, as Tenant, under Section 13 of the Lease.

2.8 Any insurance required by Assignee/Subtenant in accordance with the Lease and the Assignment/Sublease shall name Landlord as “Additional-Insured”.

3. Acknowledgment and Agreement by Tenant. Tenant, as tenant under the Lease and assignor/lessor under the Assignment/Sublease, acknowledges and agrees for itself and its successors and assigns, that:

3.1 This Consent does not:

(a) constitute a waiver or amendment by Landlord of any of its rights under the Lease; and/or

(b) in any way release Tenant from its obligations to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Lease.

3.2 The provisions of the Lease remain in full force and effect.

3.3 (For a Sublease) In the event of an Event of Default by Tenant under the Lease, Subtenant may, and shall upon demand of Landlord, pay all rent and all other sums due under the Sublease to Landlord as provided under this Consent.

4. No Obligation of Landlord. Landlord shall have no obligation or incur any liability with respect to the erection or completion of any improvements in the (Subleased) Premises for Assignee's/Subtenant's use or for the erection or completion of any improvements for Assignee's/Subtenant's use in connection with a relocation pursuant to the Lease, if any, of any portion of the premises leased to Tenant that may constitute all or a portion of the (Subleased) Premises. The foregoing shall not affect any obligations of Landlord to Tenant under the Lease.

5. Miscellaneous.

5.1 All notices required or permitted under this Consent to be given to Assignee/Subtenant and Tenant will be given as provided in the Assignment/Sublease. All notices required or permitted under this Consent to be given to Landlord will be given as provided in the Lease to Landlord at the following address:

Park Avenue Building, LLC 1105 La Grande Ave.
Napa, CA 94558
Attn: David Bruck

5.2 All exhibits and recitals attached to this Assignment/Sublease are hereby incorporated as though fully set forth herein. Any capitalized term that is not defined herein shall have the meaning attributed to it in the Lease.

5.3 This Consent supersedes any inconsistent provision of the Lease or the Sublease.

5.4 During the term of the Assignment/Sublease, Landlord has no obligation or any liability to Assignee/Subtenant with respect to any warranties of any nature whatsoever, whether pursuant to the Lease, the Assignment/Sublease or otherwise.

5.5 This Consent shall inure to the benefit of the parties hereto, their respective successors and permitted assigns; provided, however, that in the event of the assignment or transfer of the interest of Landlord, all obligations and liabilities of Landlord under this Consent will terminate and shall become the responsibility of Landlord's successor-ininterest.

5.6 This Consent shall be governed by and construed in accordance with the

laws of the State of California.

5.7 This Consent may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one (1) and the same instrument.

This Consent is effective as of the date first written above.

LANDLORD: TENANT:

PARK AVENUE BUILDING, LLC, a California limited liability company METAGENOMI, INC., a Delaware corporation

By: _____ By: _____
David Bruck, Manager Name: _____
Title: _____

ASSIGNEE:

_____
_____

EXHIBIT C

Sublease Commencement Memorandum

_____, 2026
Metagenomi Therapeutics, Inc.
5959 Horton Street, 7th Floor
Emeryville CA 94608
Attn: Chief Financial Officer

Re: Sublease Commencement Memorandum (this "***Memorandum***") with respect to that certain Sublease dated as of _____, 2026 ("***Sublease***"), by and between Metagenomi Therapeutics, Inc., a Delaware corporation ("***Sublandlord***"), and The Purple Mixer, Inc., a Delaware Corporation ("***Subtenant***"), relating to approximately eight thousand, four hundred and sixty-five (8,465) rentable square feet of space within the building located at 1485 Park Avenue, Emeryville, California. Capitalized terms not defined herein shall have the meanings set forth in the Sublease.

Dear _____,

In accordance with the terms and conditions of the Sublease, Sublandlord and Subtenant hereby execute this Memorandum to confirm the Commencement Date, the Expiration Date and other matters under the Sublease as follows:

1. The Commencement Date is _____.
2. The Expiration Date is _____.
3. The schedule of Base Rent set forth in the Sublease is deleted in its entirety, and the following is substituted therefore:

[Insert revised base rent schedule]

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of the date first written above.

SUBLANDLORD:	**SUBTENANT:**
METAGENOMI THERAPEUTICS, INC. a Delaware corporation	THE PURPLE MIXER, INC. a Delaware corporation
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

EXHIBIT D

2nd Floor Breakroom and kitchen

- Kitchen Range and Oven
- Kitchen Hood
- Dish washer
- Built-in GE microwave in cabinet
- Coffee machine, coffee grinder, and toaster
- Kitchen cabinets and Sinks

2nd floor office:

- Two large tables with chairs and stools
- 53 office workstations
- Conference table
- Large TV screen
- Lobby area with office shelves and cabinets

EXHIBIT E

R&D Kitchen Fixtures

- Double doors True steel Refrigerator
- LG Microwave LG Microwave model LMC1575ST /01
- Dishwasher -Hobart Dishwasher model LXe
- Steel double sinks with Thermaco Big Dipper Grease Trap
- Steel Kitchen sink with water filter system
- Commercial Gas Range and Oven
- Commercial Kitchen hood System with fire suppression
- Conference table with 8 Chairs.
- Kitchen cabinets and a kitchen island with built-in cabinets
- Large TV screen
- Walk-in refrigerator (cold room)
- Small beverage refrigerator
- Pantry room including cabinet and sink
- Light features , Hot water 110 and 240V outlets

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jian Irish, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Metagenomi Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2026

By: /s/ Jian Irish

Jian Irish, Ph.D., M.B.A.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Pamela Wapnick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Metagenomi Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2026

By: /s/ Pamela Wapnick

Pamela Wapnick, M.B.A.
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Metagenomi Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers of the Company hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2026

By: /s/ Jian Irish

Jian Irish, Ph.D., M.B.A.
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 10, 2026

By: /s/ Pamela Wapnick

Pamela Wapnick, M.B.A.
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)