UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2023

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: 001-37798

Cartesian Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-1622110**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
704 Quince Orchard Road, Gaithersburg, MD	**20878**
(Address of principal executive offices)	(Zip Code)

(617) 923-1400
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, $0.0001 par value per share	RNAC	The Nasdaq Stock Market LLC

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

Title of each class
Contingent Value Rights

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 and post 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 has filed a report on and attested to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of common stock held by non-affiliates of the registrant based on the closing price of the registrant's common stock as reported on the Nasdaq Stock Market on June 30, 2023, the last business day of the registrant's most recently completed second quarter, was $128,805,952.

As of March 1, 2024, the registrant had 161,948,618 shares of common stock, par value $0.0001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to its 2024 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or the Annual Report, contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts contained in this Annual Report, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, timing and likelihood of success, the plans and objectives of management for future operations and future results of anticipated products, the impact of the resurgence of the COVID-19 pandemic or emergence of another pandemic on our business and operations and our future financial results, and the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important 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 the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential", or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Annual Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Annual Report and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including the factors described under the sections in this Annual Report titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the following:

- our expectations regarding the conversion of the Series A Preferred Stock (as defined below) into our common stock;
- any future payouts under the contingent value right, or CVR, issued to our holders of record as of the close of business on December 4, 2023;
- our ability to achieve the expected benefits or opportunities and related timing with respect to the Merger (as defined below) or to monetize any of our legacy assets;
- our future results of operations and financial position, business strategy, and the length of time that we believe our existing cash resources will fund our operations;
- our market size and our potential growth opportunities;
- our preclinical and future clinical development activities;
- the efficacy and safety profile of our product candidates;
- the potential therapeutic benefits and economic value of our product candidates;
- the timing and results of preclinical studies and clinical trials;
- the expected impact of macroeconomic conditions, including inflation, increasing interest rates and volatile market conditions, current or potential bank failures;
- global events, including the ongoing conflicts between Russia and Ukraine and between Hamas and Israel and geopolitical tensions in China on our operations;
- the receipt and timing of potential regulatory designations, approvals and commercialization of product candidates;
- potential litigation related to the Merger (as defined below) instituted against us or our directors;
- our ability to prevent or minimize the effects of litigation and other contingencies;
- our ability to realize any benefits or opportunities from the Merger;
- our status as a preclinical and development-stage company and our expectation to incur losses in the future, and the possibility that we never achieve or maintain profitability;
- uncertainties with respect to our ability to access future capital;
- our ability to maximize the value of our pipeline of product candidates;
- our unproven approach to therapeutic intervention;
- our ability to enroll patients in clinical trials, timely and successfully complete those trials and receive necessary regulatory approvals;

- our ability to continue to grow our manufacturing capabilities and resources;
- our ability to manufacture our product candidates, which in some cases are manufactured on a patient-by-patient basis;
- our ability to access manufacturing facilities and to receive or manufacture sufficient quantities of our product candidates;
- our ability to maintain our existing or future collaborations or licenses and to seek new collaborations, licenses or partnerships;
- the impact of resurgence of the COVID-19 pandemic on our operations, the continuity of our business, including our preclinical studies and clinical trials, and general economic conditions;
- our ability to protect and enforce our intellectual property rights;
- federal, state, and foreign regulatory requirements, including U.S. Food and Drug Administration, or FDA, regulation of our product candidates;
- our ability to obtain and retain key executives and retain qualified personnel; and
- developments relating to our competitors and our industry, including the impact of government regulation.

Moreover, we operate in an evolving environment. New risks and uncertainties may emerge from time to time, and it is not possible for management to predict all risk and uncertainties.

You should read this Annual Report and the documents that we reference in this Annual Report completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

PART I

Item 1. Business

Our Corporate History and Background

The Company (formerly known as Selecta Biosciences, Inc., or Selecta) was incorporated in Delaware on December 10, 2007, and is headquartered in Gaithersburg, Maryland. On November 13, 2023, the Company and the Delaware corporation which, immediately prior to the Merger (as defined below), was known as Cartesian Therapeutics, Inc., or Old Cartesian, entered into an Agreement and Plan of Merger, or the Merger Agreement, by and among the Company, Sakura Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, or First Merger Sub, Sakura Merger Sub II, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company, or Second Merger Sub, and Old Cartesian. Pursuant to the Merger Agreement, and simultaneously with execution thereof, (i) First Merger Sub merged with and into Old Cartesian, pursuant to which Old Cartesian was the surviving corporation, or the First Step Surviving Corporation, and became a wholly owned subsidiary of the Company, or the First Merger, and (ii) immediately following the First Merger, Old Cartesian (as the First Step Surviving Corporation) merged with and into Second Merger Sub, pursuant to which Second Merger Sub was the surviving company, or the Surviving Company, and continued under the name "Cartesian Bio, LLC", or the Second Merger and, together with the First Merger, the Merger. In connection with the Merger and pursuant to the Merger Agreement, the Company (which was known as Selecta Biosciences, Inc. until immediately prior to the Merger) changed its corporate name to Cartesian Therapeutics, Inc.

Overview

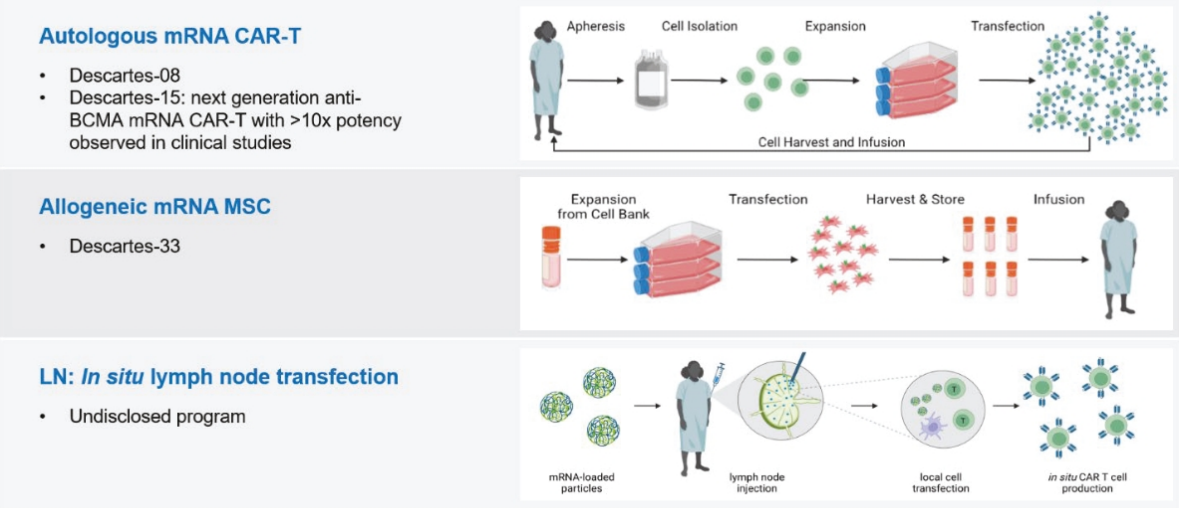
We are a clinical-stage biotechnology company developing mRNA cell therapies for the treatment of autoimmune diseases. We leverage our proprietary technology and manufacturing platform to introduce one or more mRNA molecules into cells to enhance their function. Unlike DNA, mRNA degrades naturally over time without integrating into the cell's genetic material. Therefore, our mRNA cell therapies are distinguished by their capacity to be dosed repeatedly like conventional drugs, administered in an outpatient setting, and given without pre-treatment chemotherapy required with many conventional cell therapies. In an open-label Phase 2 clinical trial in patients with myasthenia gravis, or MG, a chronic autoimmune disease that causes disabling muscle weakness and fatigue, we observed that our lead product candidate, Descartes-08, generated a deep and durable clinical benefit.

Autoimmune diseases, where the immune system mistakenly attacks the body, are a family of more than 80 disorders. Autoimmune diseases are typically treated with immunosuppressant medications, such as steroids. These treatments must be administered continually and carry risks, including infection, osteoporosis, and metabolic disease. Newer agents that block the complement pathway or inhibit the neonatal Fc receptor, or FcRn, must also typically be administered continually. We believe there is a significant unmet need for outpatient treatments, completed over a short period of time, that provide deep, durable clinical benefit.

Cell therapies have the potential to provide this benefit, but conventional cell therapies that use DNA are associated with toxicities, including cytokine release syndrome, neurotoxicity, transformation to cancer, and death. Further, conventional cell therapies typically require pre-treatment with chemotherapy, which suppresses the immune system and increases the risk of infection, anemia, and neurotoxicity. As a result, conventional DNA cell therapies typically require close monitoring in an inpatient setting, increasing the total cost of care and generally limiting their reach to only the sickest patients.

We believe our mRNA cell therapies have the potential to deliver deep, durable clinical benefit to a broad group of patients with autoimmune diseases because they can be administered over a short period of time, in an outpatient setting, and without pre-treatment chemotherapy.

We are leveraging our proprietary technology and manufacturing platform, RNA Armory®, to develop mRNA cell therapies for autoimmune diseases across three modalities. Our mRNA CAR-T modality is a personalized approach that collects a patient's T-cells and uses mRNA to introduce a chimeric antigen receptor, or CAR, into the cell. The CAR redirects the T-cells to target and destroy pathogenic self-reactive cells. Our mRNA MSC modality is an allogeneic approach that introduces one or more mRNAs into donor-sourced mesenchymal stem cells, or MSCs, enabling them to produce proteins that target key pathways involved in autoimmunity. These cells are banked and are designed to be administered off-the-shelf to any patient. Our mRNA *in situ* modality is designed to deliver mRNA into a patient's lymph node to generate CAR-T cells and other proteins that target autoimmunity. The figure below illustrates each modality.



The table below summarizes key information about our development pipeline.

Asset	Indications	Discovery/Preclinical	Phase 1	Phase 2	Pivotal
Descartes-08 Autologous mRNA CAR-T	Myasthenia Gravis				
	SLE, other Autoimmune Diseases				
Descartes-15 Autologous mRNA CAR-T	Autoimmune Diseases*				
Descartes-33 Allogeneic mRNA MSC	Autoimmune Diseases				
***In situ* LN transfection**	Undisclosed				

Our lead product candidate, Descartes-08, is an autologous mRNA CAR-T directed against the B cell maturation antigen, or BCMA, that we are developing for the treatment of autoimmune diseases. Descartes-08 has been granted Orphan Drug Designation by the FDA for the treatment of MG. Descartes-08 was observed to be safe and well-tolerated in a Phase 1b/2a trial of 14 patients with MG who received outpatient treatment without pre-treatment chemotherapy. All seven participants who received six once-weekly infusions at the highest dose continued to experience marked and long-lasting clinical improvement across validated MG disease scoring systems at month nine follow-up. At month 12, five of these seven participants maintained clinically meaningful improvement. One participant, who lost response after one year, experienced rapid improvement in clinical scores after re-treatment, which was ongoing at month six of follow-up. Clinical responses correlated with large reductions in autoantibody titers. We are currently enrolling in a Phase 2b randomized, double-blind, placebo-controlled trial in patients with MG, for which we expect to report topline results in mid-2024.

We are also developing Descartes-08 for the treatment of other autoimmune diseases. We have received FDA allowance for our investigational new drug application, or IND, for a Phase 2 trial of Descartes-08 for the treatment of patients with systemic lupus erythematosus, or SLE, a chronic autoimmune disease that causes systemic inflammation affecting multiple organ systems. We expect this Phase 2 trial to initiate in the first half of 2024.

Descartes-15 is our next-generation autologous anti-BCMA mRNA CAR-T. In preclinical studies, we have observed Descartes-15 to be 10-fold more potent than Descartes-08. We intend to test the safety of Descartes-15 in an open label, single-arm Phase 1 trial in patients with relapsed/refractory multiple myeloma. This program has already received IND allowance from the FDA and is expected to enroll the first patient in the first half of 2024. We expect that these Phase 1 trial data will inform our clinical development plan for Descartes-15 in autoimmune diseases.

Descartes-33 is an allogeneic mRNA MSC in preclinical development for treatment of autoimmune diseases. We are developing Descartes-33 to deliver a combination of therapeutic proteins that target key drivers in the pathogenesis of autoimmunity.

Limitations of Current DNA-Based Cell Therapy Treatments in Autoimmune Disease

Conventional DNA cell therapies have been associated with cytokine release syndrome, neurological toxicities and Parkinsonism, infection, risk of secondary malignancy, and death. The acute toxicities are from exponential amplification of the modified cell, and the pre-treatment chemotherapy administered to enable cell amplification.

Conventional DNA-engineered CAR-T cells are in clinical development for several autoimmune diseases. DNA CAR-T cells are typically administered to patients in a subtherapeutic dose, which means that the cells must proliferate to reach therapeutic numbers in the body. However, this proliferation is not controlled in magnitude or duration, varies from patient to patient, and can be unpredictable. This proliferation occurs because the CAR gene is irreversibly integrated into the T-cell's genome, causing a cascade in which every daughter cell carries the same CAR as the parent cells. The resulting unconstrained proliferation frequently exceeds the toxicity threshold, leading to serious adverse events. In November 2023, the FDA announced that it is investigating the risk of T-cell malignancies in approved DNA CAR-T cell immunotherapies.

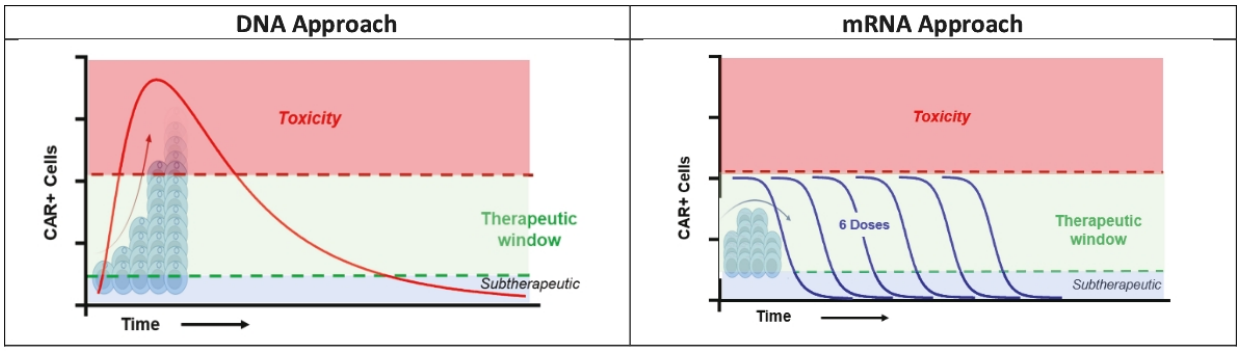
The proliferation of DNA CAR-T cells has typically required pre-treatment chemotherapy, usually fludarabine and cyclophosphamide administered for several days before CAR-T cell treatment. This chemotherapy is toxic, suppressing the immune system and increasing the risk of infection, anemia, and neurotoxicity.

Given these risks and requirements, conventional DNA cell therapies are administered under close monitoring in an inpatient setting, increasing their cost and limiting their reach to only the sickest patients.

Our Autoimmune Disease Solution

We believe that mRNA cell therapy has the potential to be a potent yet safer alternative to DNA cell therapy for treating autoimmune diseases. We believe the mRNA cell therapies we are developing have the potential to deliver deep, durable clinical benefit to many patients with autoimmune diseases because they can be administered over a short period of time, in an outpatient setting, and without pre-treatment chemotherapy. These attributes may extend the reach and potential of mRNA cell therapy to a broader group of patients with autoimmunity.

mRNA CAR-T cells locate their target, become activated, and proliferate like DNA CAR-T cells. However, because mRNA does not replicate and degrades naturally over time, the maximum number of mRNA molecules can be determined by the dose. The actual number of mRNA molecules declines to zero over time. The number of mRNA molecules determines the degree of CAR protein expression, and the persistence of the mRNA molecules determines the duration of mRNA CAR-T cell activity. Thus, unlike DNA CAR-T cells, our mRNA CAR-T cells provide pharmacokinetic control. In other words, a patient's exposure to our cells is determined by the dose. The time, course and duration of that exposure are substantially determined by the nature of the mRNA we use. Therefore, while DNA CAR-T therapies are administered at subtherapeutic levels, we can administer a therapeutic number of mRNA CAR-T cells and re-dose these cells over time, much like a conventional drug. Because the mRNA cannot be replicated, we believe, and have thus far observed, that mRNA CAR-T cells do not cause the types of severe toxicity associated with DNA CAR-T cells. Also, because mRNA CAR-T is dosed at a therapeutic dose and does not rely on cell proliferation to reach the therapeutic window, there is no need to administer pre-treatment chemotherapy. The graphs below contrast our mRNA cell therapy approach with that of conventional DNA cell therapy.



As of the 2023 safety cutoff date, we have administered Descartes-08 to over 60 patients suffering from one of MG, multiple myeloma, and other diseases in open-label trials on an outpatient basis, many at community clinics. We have not observed product-related cytokine release syndrome, neurotoxicity or infection of any grade. The most common product-related

adverse events observed—headache, nausea and fever—were self-limited and resolved within 72 hours of onset. One participant with MG with a history of allergic reaction to biologics developed hives after the third infusion and was hospitalized for monitoring. The patient's hives resolved completely after a brief course of steroids.

Our Product Candidates

Descartes-08

Our lead product candidate is Descartes-08, a potential first-in-class mRNA CAR-T. Descartes-08 targets BCMA, which exists on the surface of long-lived plasma cells, or LLPCs, and plasmacytoid dendritic cells, or pDCs. LLPCs, which can survive for decades, are the main producers of disease-causing autoantibodies. pDCs, which secrete type-I interferons, may also play a critical role in autoimmunity. While the lead indication for Descartes-08 is MG, we believe that Descartes-08 has potential to treat other autoimmune diseases, such as lupus.

Descartes-08 for the Treatment of MG

Overview

Descartes-08 has been granted Orphan Drug Designation by the FDA for the treatment of MG. We chose MG as our lead indication because the pathogenesis for MG is common to many autoimmune diseases.

Background Information About MG

MG is a rare autoimmune disease that causes debilitating muscle weakness and fatigue. It is estimated to affect over 120,000 patients in the U.S. and Europe. MG patients develop antibodies that lead to an immunological attack on critical signaling proteins at the junction between nerve and muscle cells, thereby inhibiting the ability of nerves to communicate properly with muscles. This results in muscle weakness in tissues throughout the body, potentially manifesting in partial paralysis of eye movements, problems in chewing and swallowing, respiratory problems, speech difficulties and weakness in skeletal muscles. The symptoms of the disease can be transient and in the early stages of the disease can remit spontaneously. However, as the disease progresses, symptom-free periods become less frequent and disease exacerbations can last for months. Disease symptoms reach their maximum levels within two to three years in approximately 80% of patients. Up to 20% of MG patients experience a respiratory crisis at least once in their lives. During the crisis phase, decline in respiratory function can become life-threatening. Patients in crisis often require intubation and mechanical ventilation.

There are no known cures for MG and the current standard of care consists of chronic use of steroids and other immunosuppressants. These treatments must be administered continually and carry risks such as infection, osteoporosis, and metabolic diseases. Newer agents, such as those that block the complement pathway or inhibit FcRn, are typically administered continually.

Clinical Development

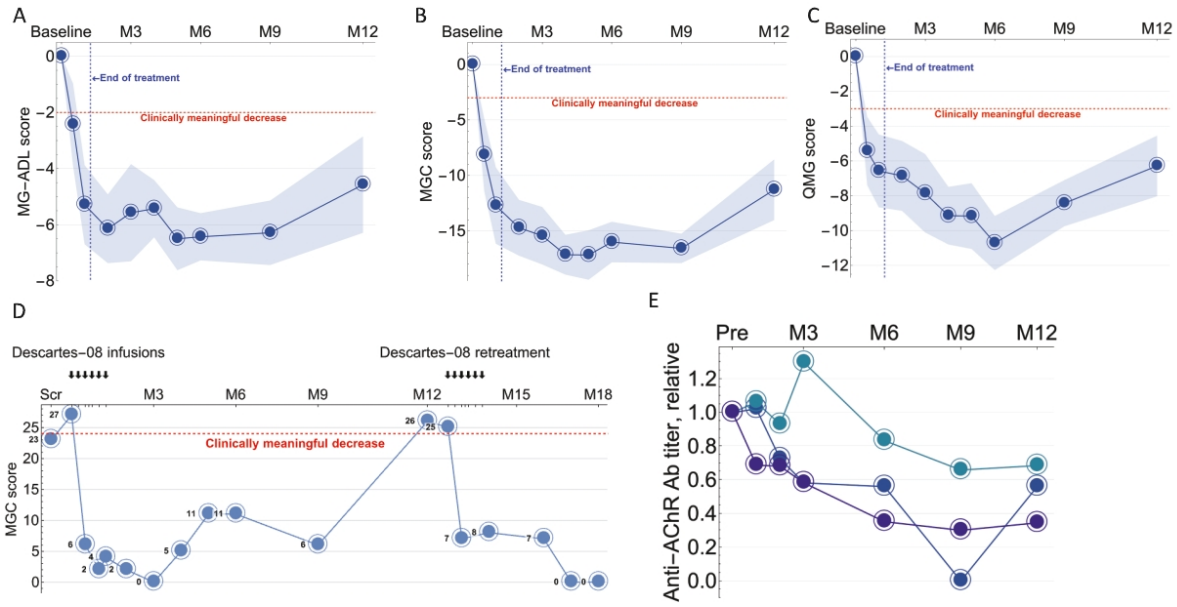
To date, we have completed the Phase 1b portion of the Phase 1/2 trial of Descartes-08 in MG, as well as the primary readout of the Phase 2a portion of the trial. We continue to enroll patients to the Phase 2b portion of the trial.

The primary objective of the Phase 1b portion of the trial was to determine the maximum tolerated dose of Descartes-08 for patients with MG. To assess the safety and manufacturability of Descartes-08, the product candidate was administered in three ascending doses (3.5×10^6 cells/kg; 17.5×10^6 cells; 52.5×10^6 cells/kg) to three patients with MG. After each infusion, patients were observed for at least one week, and a higher dose level was administered if there were no significant adverse effects observed at the initial dose. We observed Descartes-08 to be well-tolerated by the three patients who participated in this portion of the trial with no cytokine release syndrome or other serious product-related adverse events.

The primary objective of the Phase 2a portion of the trial was to determine the optimal dosing schedule for patients with MG using the highest dose level tested in Phase 1b (52.5×10^6 cells/kg). This portion of the trial was designed to assess the safety and preliminary efficacy of Descartes-08 when administered across three different treatment schedules (six doses given twice-weekly, once-weekly, or once-monthly). This portion of the trial evaluated 11 patients with particularly advanced disease as assessed by both patient and clinician-reported outcomes. 79% of the 14 patients included in the Phase 1b and Phase 2a portions of the trial were classified at screening to have Class III or IV disease, as defined by the Myasthenia Gravis Foundation of America, indicating they have moderate-to-severe weakness affecting their muscles.

The results of the Phase 2a portion of the trial, published in the *Lancet Neurology* in July 2023, indicated that after six weekly infusions of Descartes-08, the average improvement in all disease severity scores was three-to-five-fold greater than what is considered clinically meaningful by expert consensus. As shown in the figure below, clinical improvements persisted in all patients at month nine, and in five of the seven remaining patients at a final, 12-month follow-up. Of the two participants who lost response, one was retreated and experienced rapid improvement in clinical scores, which was ongoing at month six of

follow-up. Descartes-08 was observed to be well-tolerated with no reports of dose-limiting toxicities, cytokine release syndrome or neurotoxicity.



A–C: Mean change from Baseline (line) and standard error (bands) in Myasthenia Gravis Activities of Daily Living Score (MG-ADL, A), Quantitative Myasthenia Gravis Score (QMG, B), Myasthenia Gravis Composite Score (MGC, C) during 12 months of follow-up for MG-001 participants who received six once-weekly doses (n=7). MG-ADL is self-reported; MGC and QMG are neurologist-assessed. D: Change from Baseline in MGC Score after initial dosing and retreatment in a participant experiencing relapse at Month 12. E: Relative change in serum anti-acetylcholine receptor antibody levels in the three participants with detectable antibodies at baseline. Each line represents one patient.

All three participants with detectable anti-acetylcholine receptor antibody levels before treatment had an average 42% reduction in antibody levels by month six. These reductions deepened to 68% by month nine and persisted at month 12. In summary, we observed continued clinical improvement and autoantibody reductions after BCMA-directed mRNA CAR-T treatment for MG that persisted through the one-year follow-up period.

We are currently enrolling patients in the Phase 2b randomized, double-blind, placebo-controlled portion of the Phase 1/2 trial. We expect to report topline results in mid-2024. The trial, which is expected to have at least 30 completers, is designed to assess the primary endpoint of the proportion of patients achieving a five-point or greater reduction in their MGC score at day 85. Patients will receive six weekly infusions at the dose established in Phase 1b (52.5 x10^6 cells/kg). The trial also involves a crossover component, in which any patient originally assigned to placebo will be given the opportunity to receive Descartes-08 after completing trial treatment.

Secondary endpoints are designed to assess a variety of additional clinical outcomes, including determining safety and tolerability, quantifying the clinical effect of Descartes-08 over one year, assessing changes through day 85 in QMG, MG QoL 15R, MG Composite and MG post-intervention status and comparing the effect of Descartes-08 versus placebo on MG scales through day 85 in patients who cross over from placebo to Descartes-08.

Descartes-08 for the Treatment of Systemic Lupus Erythematosus

Overview

We are also developing Descartes-08 for the treatment of SLE, a chronic autoimmune disease that causes systemic inflammation which affects multiple organ systems.

Background Information About Systemic Lupus Erythematosus

SLE is a chronic, immune-mediated connective tissue disease that can impact nearly all major organ systems. The most common manifestations of SLE are cutaneous and musculoskeletal symptoms, although neurological, gastrointestinal, hematological, and renal symptoms are regularly observed as well. Patients with SLE are at a substantially increased risk of

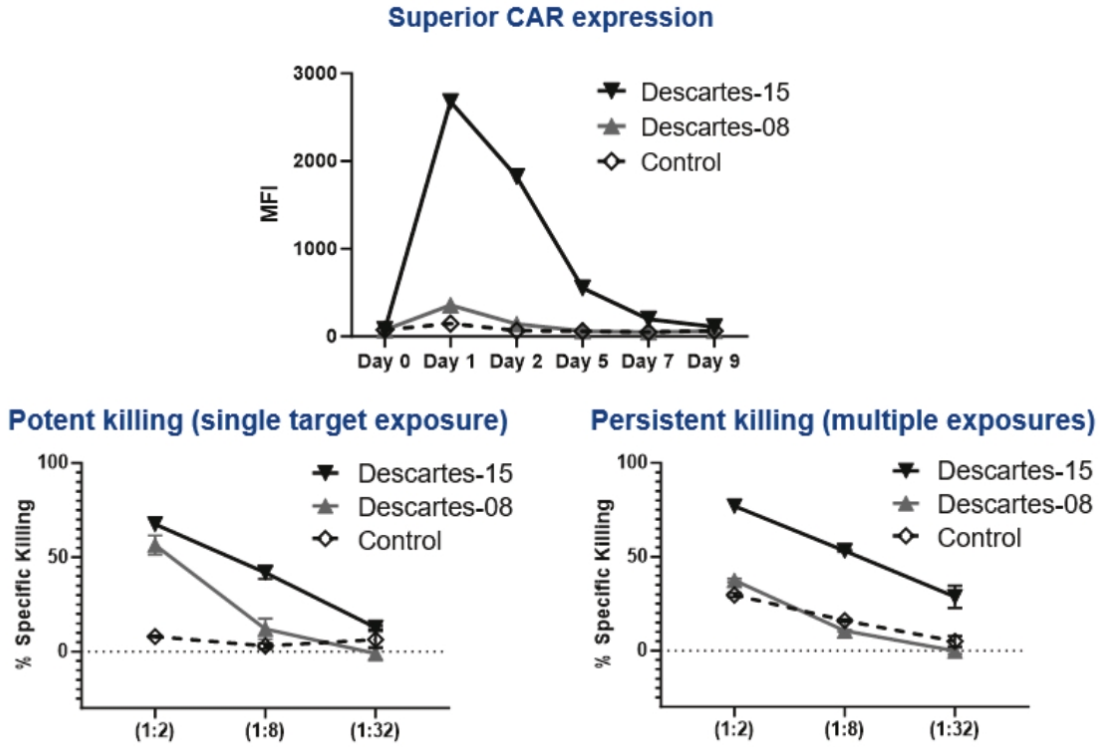
infection and cardiovascular disease, contributing to estimated 10- and 15-year mortality rates of 9% and 15%, respectively. SLE is the most common form of lupus, representing approximately 70% of lupus patients, and approximately three million adults worldwide are estimated to have SLE.

Next Steps

We expect to initiate a multi-center open-label single-arm Phase 2 trial, for which we have received FDA IND allowance, in the first half of 2024. The primary objective of this trial is to evaluate the safety, tolerability, and manufacturing feasibility of Descartes-08 mRNA CAR-T cells administered as six once-weekly outpatient infusions of $52.5x10^6$ cells/kg without pre-treatment chemotherapy in approximately 30 patients with SLE.

Descartes-15

Descartes-15 is a next-generation, autologous anti-BCMA mRNA CAR-T. Using our proprietary technology and manufacturing platform, we designed Descartes-15 to be more resistant than Descartes-08 to recycling of the CAR upon multiple antigen exposures. We believe this is a particularly important feature to increase the durability of CAR expression on the surface of these cells. We observed that Descartes-15 was 10-fold more potent than Descartes-08 in preclinical studies, as illustrated in the below charts. In November 2023, we received IND allowance from the FDA to initiate the Phase 1 trial to test the safety of Descartes-15 in patients with multiple myeloma.



Next Steps

We intend to leverage our preclinical and clinical observations from the Descartes-08 development program and the Descartes-15 Phase 1 program to inform our clinical strategy for Descartes-15 for the treatment of autoimmune diseases.

Allogeneic Product Candidate

Descartes-33 is our allogeneic mRNA MSC in preclinical development for treatment of autoimmune diseases. We are developing Descartes-33 to deliver a combination of therapeutic proteins that target key drivers in the pathogenesis of autoimmunity.

Manufacturing

We have established wholly owned internal manufacturing and research and development capabilities, which allow us to optimize processes rapidly and in an iterative manner. Our main manufacturing facility is located in Gaithersburg, Maryland and operates under current good manufacturing practice, or cGMP. This facility enhances our control of product quality and production schedules and costs, allowing us to move assets from discovery to preclinical to clinical development quickly. We also entered into an agreement to lease additional manufacturing space located in Frederick, Maryland to transition and expand our clinical and commercial manufacturing capabilities for our maturing pipeline of innovative mRNA cell therapies for the treatment of autoimmune disease.

Our cGMP cell manufacturing facilities, with their dedicated quality management system, are also capable of mRNA production used in Descartes-08. We manufacture Descartes-08 in-house and are typically able to process and release lots for infusion within approximately three weeks. Our autologous cell therapy product candidates, including Descartes-08, are manufactured on a patient-by-patient basis. We have optimized our manufacturing processes through over 200 cGMP runs. We also maintain FDA-reviewed human umbilical cord MSC cell collection and banking operations.

Intellectual Property

Our success depends in part on our ability to obtain, maintain, protect, defend and enforce proprietary protection for our drug candidates and other discoveries, inventions, trade secrets and know-how that are critical to our business operations. Our success also depends in part on our ability to operate without infringing, misappropriating or otherwise violating the proprietary rights of others, and in part on our ability to prevent others from infringing, misappropriating or violating our proprietary rights. A discussion of risks relating to intellectual property is provided under the section titled "*Risk factors —Risks related to intellectual property."*

We intend to continue developing intellectual property, and we intend to aggressively protect our position in key technologies. Our patents are focused on several key technologies, including the use of our mRNA CAR-T technology and other developments in our mRNA cell therapy pipeline. As of December 31, 2023, we had five issued patents worldwide, including two patents issued in the United States and three issued outside the United States. Our patents are set to expire on various dates in 2040 through 2043. Additionally, as of December 31, 2023, we had 14 patent applications pending worldwide, including five U.S. applications and nine applications outside the United States. In addition, we had two registered marks protecting our brand and prospective products both domestically and internationally. With respect to the legacy Selecta assets, as of December 31, 2023, we had (i) 233 issued patents worldwide, including 20 patents issued in the United States and 213 issued outside the United States, set to expire on various dates in 2032 through 2043, (ii) 476 patent applications pending worldwide, including 42 U.S. applications and 434 applications outside the United States and (iii) two registered marks.

In addition to patent protection, we also rely on trade secrets, know-how, trademarks, confidential information, other proprietary information and continuing technological innovation to develop, strengthen and maintain our competitive position. We seek to protect and maintain the confidentiality of proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees, consultants, contractors and collaborators, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality and invention assignment agreements upon the commencement of employment or consulting relationships with us. However, such confidentiality agreements can be breached, and we may not have adequate remedies for any such breach. For more information regarding the risks related to our intellectual property, see the section titled "*Risk factors—Risks related to intellectual property*."

Key Agreements

Biogen License Agreement

On September 8, 2023, we entered into a non-exclusive, sublicensable, worldwide, perpetual patent license agreement, or the Biogen Agreement, with Biogen MA, Inc, or Biogen, to research, develop, make, use, offer, sell and import products or processes containing or using an engineering T-cell modified with an mRNA comprising, or encoding a protein comprising, certain sequences licensed under the Biogen Agreement for the prevention, treatment, palliation and management of autoimmune diseases and disorders, excluding cancers, neoplastic disorders, and paraneoplastic disorders. We are not obligated to pay Biogen any expenses, fees, or royalties.

We may terminate the Biogen Agreement for any reason or no reason, and Biogen may terminate the agreement after a notice-and-cure period of 30 days if we fail to pay a fee owed to Biogen or for any other material breach of the agreement. The Biogen Agreement will otherwise expire when all claims of all issued patents within the patents and patent applications licensed

to us under the Biogen Agreement have expired or been finally rendered revoked, invalid or unenforceable by a decision of a court or government agency.

NCI License Agreement

Effective September 16, 2019, we entered into a nonexclusive, worldwide license agreement, or the NCI Agreement, with the U.S. Department of Health and Human Services, represented by the National Cancer Institute of the National Institutes of Health, or NCI.

Under the NCI Agreement, we were granted a license under certain NCI patents and patent applications designated in the agreement, to make, use, sell, offer and import products and processes within the scope of the patents and applications licensed under the NCI Agreement when developing and manufacturing anti-BCMA CAR-T cell products for the treatment of MG, pemphigus vulgaris, and immune thrombocytopenic purpura according to methods designated in the NCI Agreement.

In connection with our entry into the NCI Agreement, we paid to NCI a one-time $100,000 license royalty payment. Under the NCI Agreement, we are further required to pay NCI a low five-digit annual royalty. We must also pay earned royalties on net sales in a low single-digit percentage and pay up to $0.8 million in benchmark royalties upon our achievement of designated benchmarks that are based on the commercial development plan agreed between the parties.

Under the NCI Agreement, we must use reasonable commercial efforts to bring licensed products and licensed processes to the point of Practical Application (as defined in the NCI Agreement). Upon our first commercial sale, we must use reasonable commercial efforts to make licensed products and licensed processes reasonably accessible to the United States public. After our first commercial sale, we must make reasonable quantities of licensed products or materials produced via licensed processes available to patient assistance programs and develop educational materials detailing the licensed products. Unless we obtain a waiver from NCI, we must have licensed products and licensed processes manufactured substantially in the United States. Prior to the first commercial sale, upon NCI's request, we are obligated to provide NCI with commercially reasonable quantities of licensed products made through licensed processes to be used for in vitro research.

Additionally, we must use reasonable commercial efforts to initiate a Phase 3 clinical trial of a licensed product by the fourth quarter of 2024, submit a biologics license application, or BLA, with respect to a licensed product by the fourth quarter of 2026, and make a first commercial sale of a licensed product by the fourth quarter of 2028.

The NCI Agreement terminates upon the expiration of the last to expire of the patent rights licensed thereunder, if not sooner terminated. NCI has the right to terminate this agreement, after giving written notice and providing a cure period in accordance with its terms, if we are in default of a material obligation. We have the unilateral right to terminate the agreement in any country or territory by giving NCI 60 days' written notice. We agreed to indemnify NCI against any liability arising out of our, sublicensees' or third parties' use of the licensed patent rights and licensed products or licensed processes developed in connection with the licensed patent rights.

Astellas License Agreement

On January 8, 2023, we entered into a License and Development Agreement, or the Astellas Agreement, with Audentes Therapeutics, Inc., or Astellas. Under the Astellas Agreement, we granted Astellas an exclusive license to the Company's IdeXork technology arising from Xork, to develop and commercialize Xork for use in Pompe disease in combination with an Astellas gene therapy investigational or authorized product. Xork, a bacterial IgG protease licensed from Genovis AB (publ.), or Genovis, is licensed pursuant to an Exclusive License Agreement with Genovis, or the Genovis Agreement. Astellas paid to us a $10.0 million upfront payment upon signing of the Astellas Agreement, and we are entitled to receive up to $340.0 million in future additional payments over the course of the partnership that are contingent on the achievement of various development and regulatory milestones and, if commercialized, sales thresholds for annual net sales where Xork is used as a pre-treatment for an Astellas investigational or authorized product. We are also eligible for tiered royalty payments ranging from low to high single digits. Any proceeds received from milestone payments or royalties relating to Xork would be required to be distributed to holders of CVRs, net of certain deductions.

Pursuant to the Astellas Agreement, we will have the exclusive right and responsibility to complete research and development of Xork products and to conduct all preclinical studies and clinical trials for Xork for use in Pompe disease with an Astellas gene therapy investigational or authorized product, or the Xork Development Services. Astellas will reimburse us for 25% of all budgeted costs incurred to complete the development of Xork for use in Pompe disease with an Astellas gene therapy investigational or authorized product. We will have control and responsibility over regulatory filings, including any IND, BLA, and marketing authorization applications relating to the licensed product. Astellas will have the exclusive right and responsibility to research, develop, and commercialize Astellas products used in combination with Xork and will have control and responsibility over all regulatory filings, including any IND, BLA, and marketing authorization applications, relating to Astellas products and Astellas products used in combination with Xork.

Sobi License Agreement

On June 11, 2020, we entered into a License and Development Agreement with Swedish Orphan Biovitrum AB (Publ), or Sobi, which was amended on October 31, 2023, or, as so amended, the Sobi License. Pursuant to the Sobi License, we agreed to grant Sobi an exclusive, worldwide (except as to Greater China) license to develop, manufacture and commercialize the SEL-212 drug candidate, which is currently in development for the treatment of chronic refractory gout. The SEL-212 drug candidate is a pharmaceutical composition containing a combination of SEL-037, or the Compound, and ImmTOR. Pursuant to the Sobi License, in consideration of the license, Sobi agreed to pay us a one-time, upfront payment of $75.0 million. Sobi has also agreed to make milestone payments totaling up to $630.0 million to us upon the achievement of various development and regulatory milestones and, if commercialized, sales thresholds for annual net sales of SEL-212, and tiered royalty payments ranging from the low double digits on the lowest sales tier to the high teens on the highest sales tier. Any proceeds received from milestone payments or royalties relating to the Sobi License would be required to be distributed to holders of CVRs, net of certain deductions.

Pursuant to the Sobi License, we agreed to supply (at cost) quantities of the Compound and ImmTOR as necessary for completion of the two Phase 3 clinical trials of SEL-212 (DISSOLVE I and DISSOLVE II) and a six-month placebo extension. We were required to supply quantities of the Compound until all rights to the Compound and any materials needed to manufacture the Compound were transferred to Sobi, which transfer occurred upon the execution of Amendment No. 1 to the License and Development Agreement on October 31, 2023. Sobi agreed to reimburse us for all budgeted costs incurred to complete development of SEL-212, including but not limited to costs incurred while conducting and completing the Phase 3 DISSOLVE trials, except for any costs of additional development activities required that are related to ImmTOR and that are unrelated to SEL-212. Sobi will have control and responsibility over all regulatory filings, including any IND, BLA, and marketing authorization applications relating to the licensed product.

The transactions contemplated by the Sobi License were consummated on July 28, 2020. Sobi may terminate the Sobi License for any reason upon 180 days' written notice, whereby all rights granted under the Sobi License would revert back to us. In addition, if Sobi were to terminate the Sobi License, we have the option to obtain a license to all patents and know-how necessary to exploit SEL-212 in existence as of the termination date from Sobi in return for making an equitable royalty payment to Sobi.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition, and a strong emphasis on proprietary products. We face potential competition from many different sources, including pharmaceutical and biotechnology companies, academic institutions, governmental agencies, and public and private research institutions. Product candidates that we successfully develop and commercialize may compete with existing therapies and new therapies that may become available in the future.

Our competitors may have significantly greater financial resources, established presence in the market, expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products than we do. These competitors also compete with us in recruiting and retaining qualified scientific, sales, marketing and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

The key competitive factors affecting the success of any other cell therapy product candidates that we develop, if approved, are likely to be their efficacy, safety, convenience, price, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic or biosimilar products.

Descartes-08 may compete with products of other companies in the MG market, including Argenx SE, UCB S.A., Johnson & Johnson, Alexion Pharmaceuticals, Inc. and Cabaletta Bio, Inc.

Other companies developing CAR-T therapies include large, fully integrated pharmaceutical companies such as Novartis AG, Gilead Sciences, Inc., through its Kite Pharma, Inc. subsidiary, Bristol-Myers Squibb Company, AstraZeneca PLC and Janssen Pharmaceuticals, Inc. and biopharmaceutical companies such as Kyverna Therapeutics, Inc. and Cabaletta Bio, Inc.

Government Regulation

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacturing, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of products such as those we are developing.

We believe our cell therapy product candidates are subject to regulation in the United States as "biologics" or "biological products". We expect to seek approval of Descartes-08 through a single BLA reviewed by FDA's Center for Biologics Evaluation and Research, or CBER.

Biological products are subject to regulation under the Federal Food, Drug, and Cosmetic Act, or FD&C Act and the Public Health Service Act, or PHS Act, and other federal, state, local and foreign statutes and regulations. Descartes-08 and any other product candidates that we develop must be approved by the FDA before they may be legally marketed in the United States and by the appropriate foreign regulatory agency before they may be legally marketed in foreign countries.

We regard our mRNA-modified products as cell therapy products and not as genetic engineering or gene therapy products, because mRNA modifications are not embodied in DNA or incorporated into a genome. However, it is possible that in some jurisdictions, regulations on genetic engineering or genetic therapy may intentionally or unintentionally apply to our technology. This could create additional regulatory burden.

U.S. Biological Products Development Process

The process required by the FDA before a biologic, including a cell therapy, may be marketed in the United States is summarized below.

Biological product candidates are preclinically tested before any testing is done in humans. These tests, or non-clinical studies, include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies to assess the potential safety and activity of the product candidate. The conduct of the preclinical tests must comply with federal requirements including good laboratory practices, or GLPs.

The clinical study sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND which must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA places the clinical study on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical study can begin. The FDA may also impose clinical holds on a biological product candidate at any time before or during clinical trials due to safety concerns, non-compliance with regulatory requirements, or other issues. If the FDA imposes a clinical hold, trials may not recommence without FDA authorization and then only under terms authorized by the FDA. In addition to these requirements, biological product candidates may also require evaluation and assessment by an institutional biosafety committee, or IBC, that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at an institution participating in a clinical trial.

Clinical trials are conducted under protocols detailing the objectives of the clinical study, dosing procedures, patient selection and exclusion criteria, and the parameters to be used to monitor patient safety. Each protocol and any amendments to the protocol must be submitted to the FDA as part of the IND. Clinical trials must be conducted and monitored in accordance with the FDA's regulations, including with respect to good clinical practice, or GCP, requirements, including the requirement that all research subjects provide informed consent. Further, each clinical study must be reviewed and approved by an independent institutional review board, or IRB, at or servicing each institution at which the clinical study will be conducted. Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

Phase 1. The biological product candidate is evaluated in a limited population of patients or healthy volunteers to identify the maximum tolerated dose, recommended Phase 2 dose, possible adverse effects and safety risks. For the types of products and therapeutic areas we focus on, Phase 1 studies will generally be done in patients and not healthy volunteers.

Phase 2. The biological product candidate is evaluated in a broader population to evaluate safety further and preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine the optimal dosing schedule.

Phase 3. Clinical trials are undertaken to further evaluate dosage, clinical efficacy, potency, and safety in an expanded patient population at geographically dispersed clinical study sites. These clinical trials are intended to establish the overall risk/benefit ratio of the product candidate and provide an adequate basis for product labeling.

Cell and gene therapy products may differ from the traditional clinical trial phases. For example, clinical trials for cell and gene therapy products are often structured as a hybrid Phase 1/2 study where a small group of participants with the disease are enrolled and both safety and efficacy tests are performed.

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

The FDA or the sponsor or a separate data safety monitoring board may suspend or terminate a clinical study at any time on various grounds. Similarly, an IRB can suspend or terminate approval of a clinical study at its institution if the clinical study is not being conducted in accordance with the IRB's requirements or if the biological product candidate has been associated with unexpected serious harm to patients or otherwise in the interest of patient welfare.

Sponsors of clinical trials of FDA-regulated products, including biologics, are also required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov.

After the completion of clinical trials of a biological product candidate, FDA approval of a BLA must be obtained before commercial marketing of the biological product. The BLA must include results of product development, laboratory and animal trials, human trials, information on the manufacture and composition of the product, proposed labeling and other relevant information. In addition, under the Pediatric Research Equity Act, or PREA, a BLA or supplement to a BLA must contain a pediatric assessment unless the applicant has obtained a waiver or deferral. Pediatric assessment contains data gathered from pediatric studies using appropriate formulations for each age group for which the assessment is required and other data adequate to assess the safety and effectiveness of the biological product candidate for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. Sponsors with an application for a new active ingredient, new indication, new dosage form, new dosing regimen, or new route of administration must submit an initial Pediatric Study Plan, or PSP, (or a deferral or waiver, as appropriate) within 60 days of an end-of-Phase 2 meeting or as may be agreed between the sponsor and FDA. Unless otherwise required by regulation, PREA does not apply to any biological product for an indication for which orphan designation has been granted.

Under the Prescription Drug Fee User Act, as amended, or PDUFA, each BLA must be accompanied by a substantial user fee. Fee waiver or reductions are available under certain circumstances, including for the first application filed by a small business. In addition, no user fees are assessed on BLAs on products designated as orphan drugs unless the product also includes a non-orphan indication.

Within 60 days following submission of the application, the FDA conducts a preliminary review of a BLA to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information before deciding whether to accept a BLA for filing. The FDA may refuse to file any BLA that it deems incomplete or otherwise not reviewable and may request additional information. If the submission is accepted for filing, the FDA substantively reviews the BLA to determine, among other things, whether the proposed product is safe, pure and potent, and manufactured in accordance with appropriate procedures and controls to ensure product quality. The FDA may refer applications for novel biological products or biological products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a non-binding recommendation on approval. The FDA may waive the review by an advisory committee and is not bound by the recommendation of an advisory committee, but it often follows such recommendations. During the biological product approval process, the FDA also will review proposed product labeling and will determine whether a Risk Evaluation and Mitigation Strategy, or REMS, is necessary to assure the safe use of the biological product candidate. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS; the FDA will not approve the BLA without a REMS, if required.

Before approving a BLA, the FDA will inspect the facilities in which the product is manufactured to determine whether the manufacturing processes and facilities are in compliance with cGMPs. The FDA may also audit the clinical investigation sites to determine that they have complied with good clinical practices.

Notwithstanding the submission of relevant data and information, the FDA may ultimately deny approval or seek additional information from the applicant. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than the applicant interprets the same data. The FDA may also raise questions about product manufacturing and quality control. If the FDA denies approval of a BLA in its then-current form, the FDA will issue a complete response letter detailing deficiencies in the application. If a response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application.

One of the performance goals agreed to by the FDA under PDUFA is to review 90% of standard BLAs in 10 months from the filing date and 90% of priority BLAs in six months from the filing date, whereupon a review decision is to be made. Two additional months are added to these timelines for new molecular entities. The FDA does not always meet its PDUFA goal dates for standard and priority BLAs.

Orphan Designation

Prior to the submission of a BLA, the FDA may grant orphan designation to drugs or biologics intended to treat a rare disease or condition that affects fewer than 200,000 individuals in the United States, or if it affects more than 200,000

individuals in the United States, there is no reasonable expectation that the cost of developing and marketing the product for this type of disease or condition will be recovered from sales in the United States. After the FDA grants orphan designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

In the United States, orphan designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. In addition, if a product receives the first FDA approval for the indication for which it has orphan designation, the product is entitled to orphan exclusivity, which means the FDA may not approve any other application to market the "same drug" for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity or where the manufacturer with orphan exclusivity is unable to assure sufficient quantities of the approved orphan product. Competitors, however, may receive approval of different products for the indication for which the orphan product has exclusivity or obtain approval for the same product but for a different indication for which the orphan product has exclusivity. Orphan product exclusivity also could block the approval of one of our products for seven years if a competitor obtains approval of the same biological product as defined by the FDA or if our product candidate is determined to be contained within the competitor's product for the same indication or disease.

Descartes-08 has been granted Orphan Drug Designation for the treatment of MG.

Expedited Development and Review Programs

The FDA offers various programs, including the Fast Track program, Breakthrough Therapy designation, and the RMAT designation that are intended to expedite or facilitate the process for reviewing new biological products that meet certain criteria. Specifically, new biological products are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a new biologic may request that the FDA designate the biologic as a Fast Track product at any time during the clinical development of the product.

Any product submitted to the FDA for marketing, including under a Fast Track program, may be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. Any product is eligible for priority review if it treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness of treatment, diagnosis, or prevention compared to available therapies.

Additionally, a product may be eligible for accelerated approval. The FDA may approve a product for a serious or life-threatening disease or condition based on a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a biological product subject to accelerated approval perform adequate and well-controlled post-marketing clinical studies to confirm such benefit. The Food and Drug Omnibus Reform Act of 2022, or FDORA, added the failure to conduct post-approval studies with due diligence or to submit timely progress reports on such studies to the list of prohibited acts under the FD&C Act, which means that any such failures, whether they result from a sponsor's actions or the actions of third parties, could provide the basis for enforcement actions. In addition, the FDA currently requires as a condition for accelerated approval that promotional materials be submitted prior to use, which could adversely impact the timing of the commercial launch of the product.

In addition, under the provisions of The Food and Drug Safety and Innovation Act, or FDASIA, the FDA established a Breakthrough Therapy Designation which is intended to expedite the development and review of products that treat serious or life-threatening diseases or conditions. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the features of Fast Track designation, as well as more intensive FDA interaction and guidance. Fast Track, priority review, accelerated approval, and breakthrough therapy designations do not change the standards for approval and may not necessarily expedite the development or approval process.

In 2016, the 21st Century Cures Act established what the FDA describes as a regenerative medicine adventure therapy, or RMAT, designation. The RMAT designation program is intended to facilitate an efficient development program for, and expedite review of, any product that meets the following criteria: (i) the product qualifies as an RMAT, which is defined as a cell therapy, therapeutic tissue engineering product, human cell and tissue product, or any combination product using such therapies or products, with limited exceptions; (ii) the product is intended to treat, modify, reverse, or cure a serious or life-threatening disease or condition; and (iii) preliminary clinical evidence indicates that the product has the potential to address

unmet medical needs for such a disease or condition. RMAT designation provides all the benefits of Breakthrough Therapy Designation, including early interactions to discuss any potential surrogate or intermediate endpoints to be used to support accelerated approval, eligibility for rolling review and potential eligibility for priority review. Product candidates granted RMAT designation may also be eligible for accelerated approval on the basis of a surrogate or intermediate endpoint reasonably likely to predict long-term clinical benefit, or reliance upon data obtained from a meaningful number of clinical trial sites, including through expansion of trials to additional sites, as appropriate.

Post-approval Requirements

Rigorous and extensive FDA regulation of biological products continues after approval, particularly with respect to cGMP requirements. Manufacturers of our products are required to comply with applicable requirements in the cGMP regulations, including quality control and quality assurance and maintenance of records and documentation. Other post-approval requirements applicable to biological products include record-keeping requirements, reporting of adverse effects and reporting updated safety and efficacy information.

We also must comply with the FDA's advertising and promotion requirements, such as the prohibition on promoting products for uses or in patient populations that are not described in the product's approved labeling, known as "off-label use", and the requirement to balance information provided about a product's benefits with important safety information. Discovery of previously unknown problems or the failure to comply with the applicable regulatory requirements may result in restrictions on the marketing of a product or withdrawal of the product from the market as well as possible civil or criminal sanctions. Failure to comply may subject an applicant or manufacturer to administrative or judicial civil or criminal sanctions, expensive and onerous government investigations, and adverse publicity.

Conventional DNA-modified CAR-T cell products have been subject to extensive post-approval surveillance requirements. Because the mRNA of our products is temporary, we do not believe that our mRNA-modified products will be subject to requirements of this nature, although other post-approval requirements will apply.

Biosimilars and Exclusivity

The Patient Protection and Affordable Care Act, or ACA, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or BPCIA, which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product.

Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity and potency, can be shown through analytical studies, animal studies and a clinical study or studies. The FDA has approved a number of products under these provisions.

To the Company's knowledge, the definition of "biosimilar" with regard to an mRNA-modified cell therapy has not been expressly stated in statute, regulation, or guidance, and has not been reviewed by a court. The regulatory pathway for a biosimilar to one of our products thus remains somewhat uncertain.

Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. A biological product may also obtain pediatric exclusivity in the United States. For a biological product, pediatric exclusivity, if granted, adds six months to existing regulatory exclusivity periods. This six-month exclusivity, which runs from the end of other exclusivity protection, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study or studies.

The BPCIA is complex and continues to be interpreted and implemented by the FDA. As a result, the ultimate impact, implementation and meaning of the BPCIA is subject to significant uncertainty.

Government Regulation Outside of the United States

Whether or not we obtain FDA approval for a product, we must obtain the requisite approvals from regulatory authorities in countries outside the United States prior to the commencement of clinical studies or marketing of the product in those countries.

The requirements and process governing the conduct of clinical studies, product licensing, pricing and reimbursement vary from country to country. In all cases, the clinical studies are conducted in accordance with GCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

In the European Economic Area, or EEA, which is composed of the 27 member states of the European Union, or EU, plus Norway, Iceland and Liechtenstein, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of MAs.

The EU MA, which is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the European Medicines Agency, or EMA, and which is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, advanced therapy medicinal products (comprising gene therapy, somatic cell therapy and tissue engineered products), among others. The Centralized Procedure is optional for other products containing a new active substance not yet authorized in the EEA, or for other products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU. Under the Centralized Procedure the maximum timeframe for the evaluation of a marketing authorization application is 210 days (excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP). Accelerated evaluation might be granted by the CHMP in exceptional cases. Under the accelerated procedure the standard 210 days review period is reduced to 150 days.

National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in another Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure.

To obtain regulatory approval of medical product under EU regulatory systems, we must submit a marketing authorization application, which is similar to the U.S. BLA. The EU also provides opportunities for market exclusivity. Upon receiving marketing authorization, "new active substances" generally receive eight years of data exclusivity, which prevents regulatory authorities in the EU from referencing the innovator's data to assess a generic or biosimilar application, and an additional two years of market exclusivity, during which no generic or biosimilar product can be marketed. However, there is no guarantee that a product will be considered by the EU's regulatory authorities to be a new active substance, and products may not qualify for data exclusivity. Products receiving orphan designation in the EU can receive ten years of market exclusivity, during which time no marketing authorization application shall be accepted, and no marketing authorization shall be granted for a similar medicinal product for the same indication. An orphan product can also obtain an additional two years of market exclusivity in the EU for pediatric studies. No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications.

The criteria for designating an "orphan medicinal product" in the EU are similar in principle to those in the United States. Under Article 3 of Regulation (EC) 141/2000, a medicinal product may be designated as orphan if (i) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (ii) either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would not generate sufficient return in the EU to justify investment; and (iii) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the product will be of significant benefit to those affected by the condition, as defined in Regulation (EC) 847/2000. Orphan medicinal products are eligible for certain financial and exclusivity incentives.

For other countries outside of the EU, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical studies, product licensing, pricing and reimbursement vary from country to country. In all cases, again, the clinical studies are conducted in accordance with GCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

When conducting clinical trials in the EU, we must adhere to the provisions of the EU Clinical Trials Directive (Directive 2001/20/EC) and the laws and regulations of the EU Member States implementing them. These provisions require, among other things, that the prior authorization of an Ethics Committee and the competent Member State authority is obtained before commencing the clinical trial. In 2014, the EU passed the Clinical Trials Regulation (Regulation 536/2014), which will replace the current Clinical Trials Directive, to ensure that the rules for clinical trials are identical throughout the EU.

We are also subject to data privacy and security laws in the jurisdictions outside of the U.S. in which we are established, run clinical trials or in which we sell or market our products once approved. For example, in Europe we are subject to Regulation (EU) 2016/679 (General Data Protection Regulation, or GDPR) in relation to our collection, control, processing and other use of personal data (i.e., data relating to an identifiable living individual). We process personal data in relation to participants in our clinical trials in the EEA, including the health and medical information of these participants. The GDPR is directly applicable in each EU Member State, however, it provides that EU Member States may introduce further conditions, including limitations which could limit our ability to collect, use and share personal data (including health and medical information), or could cause our compliance costs to increase, ultimately having an adverse impact on our business. The GDPR

imposes accountability and transparency obligations regarding personal data. We are also subject to EU rules with respect to cross-border transfers of personal data out of the EU and EEA. We are subject to the supervision of local data protection authorities in those EU jurisdictions where we are established or otherwise subject to the GDPR. A breach of the GDPR could result in significant fines, regulatory investigations, reputational damage, orders to cease/ change our use of data, enforcement notices, as well potential civil claims including class action type litigation where individuals suffer harm. Moreover, the United Kingdom leaving the EU could also lead to further legislative and regulatory changes. It remains unclear how the United Kingdom data protection laws or regulations will develop in the medium to longer term and how data transfer to the United Kingdom from the EU will be regulated. However, the United Kingdom has transposed the GDPR into domestic law with the Data Protection Act 2018, which remains in force following the United Kingdom's departure from the EU.

Other Healthcare Laws

The federal Anti-Kickback Statute prohibits, among other things, any person or entity from knowingly (regardless of knowledge of this specific statute) and willfully offering, paying, soliciting, receiving or providing any remuneration, directly or indirectly, overtly or covertly, to induce or in return for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or order of any item or service reimbursable, in whole or in part, under Medicare, Medicaid or other federal healthcare programs. The term "remuneration" has been broadly interpreted to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, formulary managers, and other third parties on the other. The majority of states also similar have anti-kickback laws, which in some cases apply to items and services reimbursed by private insurance.

The federal false claims and civil monetary penalties laws, including the civil False Claims Act, prohibit any person or entity from, among other things, knowingly presenting, or causing to be presented, a false, fictitious or fraudulent claim for payment to, or approval by, the federal government or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government, or from knowingly making a false statement to avoid, decrease or conceal an obligation. A claim includes "any request or demand" for money or property presented to the U.S. government. Manufacturers can be held liable under false claims laws, even if they do not submit claims to the government, where they are found to have caused submission of false claims by, among other things, providing incorrect coding or billing advice about their products to customers that file claims, or by engaging or off-label promotion to customers that file claims. Violation of the federal Anti-Kickback Statute may also constitute a false or fraudulent claim for purposes of the federal civil False Claims Act. Actions under the civil False Claims Act may be brought by the Department of Justice or as a qui tam action by a private individual in the name of the government. Many states also have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, prohibits, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. 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.

In addition, the Physician Payments Sunshine Act requires applicable manufacturers to annually report certain payments and "transfers of value" provided to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain other health care providers, as well as ownership and investment interests held by physicians and their immediate family members.

Sanctions under these federal and state fraud and abuse laws may include civil monetary penalties and criminal fines, exclusion from government healthcare programs, and imprisonment.

We may also be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, impose specified requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities and their business associates. Among other things, HITECH made HIPAA's security standards directly applicable to, as well as imposed certain other privacy obligations on, "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed 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. Even when HIPAA does not apply, according to the Federal Trade Commission, or FTC, failing to take appropriate steps to keep consumers' personal information secure constitutes unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C § 45(a).

Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any pharmaceutical or biological products for which we obtain regulatory approval. In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Sales of any products for which we receive regulatory approval for commercial sale will therefore depend, in part, on the availability of coverage and adequate reimbursement from third-party payors. Third-party payors include government authorities, managed care plans, private health insurers and other organizations.

The process for determining whether a third-party payor will provide coverage for a pharmaceutical or biological product typically is separate from the process for setting the price of such product or for establishing the reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the FDA-approved products for a particular indication.

A decision by a third-party payor not to cover our product candidates could reduce physician utilization of our products once approved and have a material adverse effect on our sales, results of operations and financial condition. Moreover, a third-party payor's decision to provide coverage for a pharmaceutical or biological product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Healthcare Reform

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medical products.

Federal, state and local governments in the U.S. have established and continue to consider policies to limit the growth of healthcare costs, including the cost of prescription drugs. Recently there has also been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for prescription drugs.

At the federal level, for example, the Inflation Reduction Act of 2022, or IRA, was signed into law. Key provisions of the IRA include the following, among others:

- The IRA requires manufacturers to pay rebates for Medicare Part B and Part D drugs whose price increases exceed inflation.
- The IRA eliminates the so-called "donut hole" under Medicare Part D beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and requiring manufacturers to subsidize, through a newly established manufacturer discount program, 10% of Part D enrollees' prescription costs for brand drugs below the out-of-pocket maximum and 20% once the out-of-pocket maximum has been reached.
- The IRA delays the rebate rule that would require pass through of pharmacy benefit manager rebates to beneficiaries.
- The IRA directs the Centers for Medicare and Medicaid Services, or CMS, to engage in price-capped negotiation for certain Medicare Part B and Part D products. Specifically, the IRA's Price Negotiation Program applies to high-expenditure single-source drugs and biologics that have been approved for at least seven or 11 years, respectively, among other negotiation selection criteria, beginning with 10 high-cost drugs paid for by Medicare Part D starting in 2026, followed by 15 Part D drugs in 2027, 15 Part B or Part D drugs in 2028, and 20 Part B or Part D drugs in 2029 and beyond. The negotiated prices will be capped at a statutorily determined ceiling price. There are certain statutory exemptions from the IRA's Price Negotiation Program, such as for a drug that has only a single orphan drug designation and is approved only for an indication or indications within the scope of such designation. The IRA's Price Negotiation Program is currently the subject of legal challenges.

Manufacturers that fail to comply with the IRA may be subject to various penalties, including civil monetary penalties or a potential excise tax. The IRA permits the Secretary of Health and Human Services, or the HHS Secretary, to implement many of the IRA's provisions through guidance, as opposed to regulation, for the initial years. The effect of the IRA is anticipated to have significant effects on the pharmaceutical industry and may reduce the prices pharmaceutical manufacturers can charge and reimbursement pharmaceutical manufacturers can receive for approved products, among other effects.

In addition, other legislative changes have been proposed and adopted in the United States. This included aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013, and, due to subsequent legislative amendments, will stay in effect through 2027 unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act was signed into law, which, among other things, further reduced Medicare

payments to several providers, including hospitals and imaging centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

The Biden administration has indicated that lowering prescription drug prices is a priority. On October 14, 2022, President Biden signed an executive order to lower prescription drug costs for Americans. In response to this directive, the HHS Secretary announced and the Center for Medicare and Medicaid Innovation is developing three new models intended to lower drug costs under Medicare and Medicaid, including establishing a new approach for administering outcomes-based agreements for cell and gene therapies. President Biden also signed an executive order on July 9, 2021 affirming the administration's policy to, among other things, support legislative reforms that would lower the prices of prescription drugs, including by supporting the development and market entry of lower-cost generic drugs and biosimilars, and support the enactment of a public health insurance option. Among other things, the executive order directs the HHS Secretary to provide a report on actions to combat excessive pricing of prescription drugs, continue to clarify and improve the approval framework for generic drugs and identify and address any efforts to impede generic drug competition, enhance the domestic drug supply chain, reduce the price that the federal government pays for drugs, and address price gouging in the industry. The executive order also directs the FDA to work with states and Indian Tribes that propose to develop section 804 Importation Programs in accordance with the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, and the FDA's implementing regulations. The FDA released such implementing regulations on September 24, 2020, which went into effect on November 30, 2020, providing guidance for states to build and submit importation plans for drugs from Canada. In response, authorities in Canada have passed rules designed to safeguard the Canadian drug supply from shortages. On January 5, 2024, the FDA authorized Florida's Agency for Health Care Administration's drug importation proposal, the first step toward Florida facilitating importation of certain prescription drugs from Canada.

Employees and Human Capital Resources

At Cartesian Therapeutics, we consider human capital to be an essential driver of our business and successful strategy creation and execution. Our people, driven by our collaborative, pioneering, and patient-focused culture, propel our business forward, strengthening us for long-term success.

As of December 31, 2023, we had 38 employees, 26 of whom are primarily engaged in research and development activities and 12 in corporate functions. 37 of our employees are employed by us on a full-time basis. 73.6% of our employees have at least one of a Masters, PhD, or MD degree. All employees reside and work in the United States and our employees are not represented by a labor union. We consider our employee relations to be strong and in good standing.

Our goal is to continually engage our talented and diverse workforce to drive value creation both for our business and ultimately our patient populations. We believe in a proactive approach to talent management focusing on retention of key talent, critical role successor identification, and impactful employment development. Additional priority areas intended to drive engagement include successful recruitment of diverse talent, continual promotion of professional development at all levels, introduction, and evolution of business-friendly human resources solutions, coupled with an intentional culture dialog aimed to drive a high engagement, high performance, patient centric culture.

To further drive attraction and retention of our high-quality, experienced, and diverse workforce, we invest in the physical, emotional, and financial well-being of our employees. These investments include a competitive mix of compensation and generous insurance benefits. To assist employees with the rising cost of healthcare, we pay 100% of an employee's deductible and co-insurance payments. All employees are eligible to participate in our equity compensation programs. All employees are awarded new hire equity and annual equity. Employees are also eligible to receive an annual cash bonus and to participate in a 401(k) retirement plan with an industry competitive company match.

Available Information

We file electronically with the SEC our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information. Our SEC filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. We make available on our website at www.cartesiantherapeutics.com, free of charge, copies of these reports as soon as reasonably practicable after filing or furnishing these reports with the SEC. The hyperlink to our website is included as an inactive textual reference only, and the information on our website is not incorporated by reference in this Annual Report on Form 10-K or in any other filings we make with the SEC.

RISK FACTORS SUMMARY

Investing in our common stock involves various risks. You should carefully read and consider the matters discussed in this Annual Report under the heading "Risk Factors," which include the following risks:

- We are a development-stage company and have incurred significant losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.
- We will need substantial additional funding in order to complete development of our product candidates and commercialize our products, if approved. If we are unable to raise capital when needed and on terms favorable to us, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.
- We develop our mRNA-based product candidates by leveraging our proprietary technology and our manufacturing platform, RNA Armory®, which is an unproven approach to the treatment of autoimmune disease. We are early in most of our clinical development efforts and may not be successful in our efforts to build a pipeline of product candidates and develop marketable drugs.
- Clinical drug development is inherently risky and involves a lengthy and expensive process, which is subject to a number of factors, many of which are outside of our control. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.
- We expect to continue to grow our manufacturing capabilities and resources and we must incur significant costs to develop this expertise and/or rely on third parties to manufacture our products.
- We rely, and expect to continue to rely, on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including by failing to meet deadlines for the completion of such trials.
- If we or our licensors are unable to adequately protect our proprietary technology, or obtain and maintain issued patents that are sufficient to protect our product candidates, others could compete against us more directly, which would negatively impact our business.
- We have been in the past and may in the future be subject to stockholder litigation.
- The failure to successfully integrate the businesses of Selecta and Old Cartesian in the expected timeframe would adversely affect the Company's future results.
- We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should consider carefully the risks described below, together with the other information included or incorporated by reference in this Annual Report. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. In these circumstances, the market price of our common stock could decline. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.

Risks Related to the Development of our Product Candidates

We develop our mRNA-based product candidates by leveraging our proprietary technology and our manufacturing platform, RNA Armory®, which is an unproven approach to the treatment of autoimmune disease. We are early in most of our clinical development efforts and may not be successful in our efforts to build a pipeline of product candidates and develop marketable drugs.

Our mRNA approach to develop product candidates for the treatment of autoimmune diseases is an unproven approach. Our most advanced product candidate, Descartes-08 is in Phase 2 clinical development. We have not demonstrated the ability to successfully complete any Phase 3 or other pivotal clinical trials, obtain regulatory approvals, manufacture a commercial product, or arrange for a third party to do so on our behalf, or conduct other sales and marketing activities necessary for successful product commercialization. We may have problems identifying new product candidates and applying our technologies to other areas. Even if we are successful in identifying new product candidates, they may not be suitable for

clinical development, including as a result of manufacturing difficulties, harmful side effects, limited efficacy or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. The success of our product candidates will depend on several factors, including the following:

- design, initiation and completion of preclinical studies and clinical trials with positive results;
- reliance on third parties, including but not limited to collaborators, licensees, clinical research organizations and contract manufacturing organizations;
- receipt of marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates and not infringing or violating patents or other intellectual property of third parties;
- manufacturability, manufacturing, logistics, and stability of our cell therapies, including autologous cell therapies;
- growing our internal cGMP manufacturing capabilities to support commercial manufacturing or making arrangements with third-party manufacturers;
- launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- acceptance of our products, if and when approved, by patients and the medical community;
- effectively competing with other therapies;
- obtaining and maintaining coverage and adequate reimbursement by third-party payors, including government payors, for our products, if approved;
- maintaining an acceptable safety profile of our products following approval; and
- maintaining and growing an organization of scientists and businesspeople who can develop and commercialize our product candidates and technology.

Our failure to successfully execute on of any of the foregoing for any reason would effectively prevent or delay approval of our lead and other product candidates.

Clinical drug development is inherently risky and involves a lengthy and expensive process which is subject to a number of factors, many of which are outside of our control. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Clinical development is expensive, time consuming and involves significant risk. It is impossible to predict when or if any of our product candidates will prove effective and safe in humans or will receive regulatory approval, and the risk of failure through the development process is high. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete manufacturing and preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Manufacturing cell therapies, particularly those modified with mRNA, is a new field.

Preclinical development is costly and inherently uncertain. Early preclinical results may not be predictive of future results, however, if our technology proves to be ineffective or unsafe as a result of, among other things, adverse side effects, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the clinical development and commercialization of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidate for its intended indications. Clinical testing is expensive, difficult to design and implement, can take many years to complete and its outcome is inherently uncertain. A failed clinical trial can occur at any stage of testing. Moreover, 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, we may not be able to complete, or may be required to deviate from the current clinical trial protocol for a variety of reasons.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical trials after achieving positive results in preclinical development or early-stage clinical trials, and we cannot be certain that we will not face similar setbacks. Serious adverse events, or SAEs, caused by, or other unexpected properties of, any product candidates that we may choose to develop could cause us, an institutional review board or regulatory authority to interrupt, delay or halt clinical trials of one or more of such product candidates and could result in a more restrictive label or the delay or denial of marketing approval by the FDA or comparable non-U.S. regulatory authorities. If any product candidate that we may choose to develop is associated with SAEs or other unexpected properties, we may need to abandon development or limit development of that product candidate to certain uses or subpopulations in which those undesirable characteristics would be expected to be less

prevalent, less severe or more tolerable from a risk-benefit perspective. Moreover, preclinical and clinical data is 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 FDA or other regulatory authority approval. If we fail to produce positive results in clinical trials of our product candidates, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be negatively impacted.

In addition, we cannot be certain as to what type and how many clinical trials the FDA will require us to conduct before we may gain regulatory approval to market any of our product candidates in the United States or other countries, if any. Prior to approving a new therapeutic product, the FDA generally requires that safety and efficacy be demonstrated in two adequate and well-controlled clinical trials.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval for, or commercialize, our product candidates, including:

- clinical trials of our product candidates may produce unfavorable, incomplete or inconclusive results;
- we may be unable to manufacture our product candidates, which in some cases such as mRNA CAR-T, are manufactured on a patient-by-patient basis;
- regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or may place a clinical hold on existing clinical trials;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with contract research organizations, or CROs, or clinical trial sites;
- we may be unable to recruit suitable patients to participate in a clinical trial, the number of patients required for clinical trials of our product candidates may be larger than we expect, enrollment in these clinical trials may be slower than we expect or participants may drop out of these clinical trials at a higher rate than we expect, or enrollment could be affected by the ongoing conflicts in Ukraine and the Middle East;
- the number of clinical trial sites required for clinical trials of our product candidates may be larger than we expect;
- 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;
- we may have to suspend or terminate clinical trials of our product candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- investigators, regulators, data safety monitoring boards or institutional review boards may require that we or our investigators suspend or terminate clinical research, or we may decide to do so ourselves;
- investigators may deviate from the trial protocol, fail to conduct the trial in accordance with regulatory requirements or misreport study data;
- the cost of clinical trials of our product candidates may be greater than we expect or we may have insufficient resources to pursue or complete certain aspects of our clinical trial programs or to do so within the timeframe we planned;
- the supply or quality of raw materials or manufactured product candidates (whether provided by us or third parties) or other materials necessary to conduct clinical trials of our product candidates may be insufficient, inadequate or not available at an acceptable cost, or in a timely manner, or we may experience interruptions in supply;
- laboratories that we rely upon to perform certain quality control tests may become unavailable, or their services could be delayed;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we expect;
- the FDA or comparable foreign regulatory authorities may disagree with our clinical trial design or our interpretation of data from preclinical studies and clinical trials, or may change the requirements for approval even after it has reviewed and commented on the design of our clinical trials;
- regarding trials managed by our existing or any future collaborators, our collaborators may face any of the above issues, and may conduct clinical trials in ways they view as advantageous to them but potentially suboptimal for us; and
- geopolitical events may affect international and overseas trial sites in ways beyond our control.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, or if we are forced to delay or abandon certain clinical trials or other testing in order to conserve capital resources, we may:

- be delayed in obtaining marketing approval for our product candidates, if at all;
- obtain marketing approval in some countries and not in others;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements; or
- have a product removed from the market after obtaining marketing approval.

We could also encounter delays if a clinical trial is suspended or terminated. Authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to institutional review boards, or IRBs, for reexamination, which may impact the costs, timing or successful completion of a clinical trial.

Our product development costs will increase if we experience delays in clinical testing or in obtaining marketing approvals. We do not know whether any of our preclinical studies or clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant preclinical or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do, potentially impairing our ability to successfully commercialize our product candidates and harming our business and results of operations.

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

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. In addition, from time to time our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates. Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which could cause the value of our common stock to decline and limit our ability to obtain additional financing.

We may conduct clinical trials for product candidates at sites outside the United States, and the FDA may not accept data from trials conducted in such locations or the complexity of regulatory burdens may otherwise adversely impact us.

Opening trial sites outside the United States may involve additional regulatory, administrative and financial burdens, including compliance with foreign and local requirements relating to regulatory submission and clinical trial practices. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of these data is subject to certain conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and performed by qualified investigators in accordance with good clinical practices, or GCPs, and the FDA must be able to validate the data from the trial through an onsite inspection, if necessary. Generally, the patient population for any clinical trials conducted outside the United States must be representative of the population for which we intend to seek approval in the United States. In addition, while these clinical trials are subject to the applicable local laws, FDA acceptance of the data will be dependent upon its determination that the trials also complied with all applicable U.S. laws and regulations. Nonetheless, there can be no assurance that the FDA will accept data from trials conducted outside 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 clinical trials, which would be costly and time-consuming and delay or permanently halt our development of any applicable product candidates.

Additional risks inherent in conducting international clinical trials include:

- foreign regulatory requirements that could burden or limit our ability to conduct our clinical trials;

- increased costs and heightened supply constraints associated with the acquisition of standard of care drugs and/or combination or comparator agents for which we may bear responsibility in certain jurisdictions;
- administrative burdens of conducting clinical trials under multiple foreign regulatory schema;
- foreign exchange fluctuations;
- more burdensome manufacturing, customs, shipment and storage requirements;
- cultural differences in medical practice and clinical research;
- lack of consistency in standard of care from country to country;
- diminished protection of intellectual property in some countries;
- changes in country or regional regulatory requirements; and
- geopolitical instability or wars in regions outside of the United States where we conduct clinical trials may impact ongoing clinical trials.

We may not be able to qualify for or obtain various designations from regulators that would have the potential to expedite the review process of one or more of our product candidates and even if we do receive one or more such designations there is no guarantee that they will ultimately expedite the process, or aid in our obtaining marketing approval or provide market exclusivity.

There exist several designations that we can apply for from the FDA and other regulators that would provide us with various combinations of the potential for expedited regulatory review, certain financial incentives as well as the potential for post-approval exclusivity for a period of time. These designations include but are not limited to orphan drug designation, breakthrough therapy designation, accelerated approval, fast track status and priority review for our product candidates. For example, Descartes-08 has been granted orphan drug designation by the FDA for the treatment of MG. We expect to seek one or more of these designations for our other current and future product candidates. There can be no assurance that any of our other product candidates will qualify for any of these designations. There can also be no assurance that any of our product candidates that do qualify for these designations will be granted such designations or that the FDA will not revoke a designation it grants at a later date, or that Congress will not change the law about a designation.

Further, there can be no assurance that any of our product candidates that are granted such designations, including Descartes-08, will ever benefit from such designations or that the FDA would not withdraw such designations once granted. Were we to receive a designation that promised a period of market exclusivity, such as orphan drug exclusivity, such exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. In particular, the scope of exclusivity afforded for mRNA-modified cell therapy products may not be well defined. Further with respect to orphan drug status, even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior if it is shown to be safer, more effective or makes a major contribution to patient care.

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

From time to time, we may publish interim, top-line or preliminary data from our clinical studies, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a full analyses of all data related to the particular trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the top-line results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Preliminary or top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. Interim data from clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available.

Interim, top-line or preliminary data may not be representative of final data. If final data is not as positive as earlier interim, top-line or preliminary we have released, our business prospects would be significantly harmed.

In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed significant by you or others with respect to future decisions, conclusions, views, activities or otherwise regarding a particular

product candidate or our business. As a result, preliminary and top-line data should not be relied upon in making an investment decision in our securities.

Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials, could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign authorities and could result in decreased market acceptance of any of our product candidates, if approved. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects. In such an event, our trials could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications.

In November 2023, the FDA issued a statement that it is investigating serious risk of T-cell malignancy following BCMA-directed or CD19-directed autologous CAR-T cell immunotherapies. While the FDA noted that it currently believes that the overall benefits of these products continue to outweigh their potential risks for their approved uses, the FDA stated that it is investigating the identified risk of T-cell malignancy with serious outcomes, including hospitalization and death, and is evaluating the need for regulatory action. Further, in January 2024, the FDA announced it would require a so-called "boxed warning" be added to the prescribing information for all six then-currently approved CAR-T therapies. A boxed warning is the strongest safety labeling the FDA may require. However, because all currently approved CAR T-cell immunotherapies are in oncology indications, there can be no assurance that FDA will reach the same risk-benefit analysis in other indications.

While we believe our mRNA-based CAR-T product candidates may have a differentiated toxicity profile than currently approved DNA-based CAR-T therapies, there can be no assurance that the FDA would not treat Descartes-08 or any of our other product candidates similar to approved DNA-based CAR-T therapies. The FDA's investigation may impact the FDA's review of product candidates that we are developing, or that we may seek to develop in the future, which may, among other things, result in additional regulatory scrutiny of our product candidates, delay the timing for receiving any regulatory approvals or impose additional post-approval requirements on any of our product candidates that receive regulatory approval.

Any drug-related side effects observed in our clinical trials could also affect patient enrollment in our clinical trials or the ability of any enrolled patients to complete such trials or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

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

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require the addition of labeling statements, such as a boxed warning or a contraindication;
- regulatory authorities may impose additional restrictions on the marketing of, or the manufacturing processes for, the particular product;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients, or become subject to fines, injunctions or the imposition of civil or criminal penalties;
- our reputation may suffer; and
- we could be required to develop a risk evaluation and mitigation strategies, or REMS, plan to prevent, monitor and/or manage a specific serious risk by informing, educating and/or reinforcing actions to reduce the frequency and/or severity of the event.

Any of these events could prevent us from achieving or maintaining market acceptance of a particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

Risks Related to Manufacturing and our Dependence on Third Parties

We expect to continue to grow our manufacturing capabilities and resources and we must incur significant costs to develop this expertise and/or rely on third parties to manufacture our products.

We have growing manufacturing capabilities, and in order to continue to develop our current product candidates, apply for regulatory approvals and, if approved, commercialize future products, we will need to continue to develop, contract for, or otherwise arrange for any necessary external manufacturing capabilities.

We manufacture our product candidates internally. There are risks inherent in biological manufacturing and we may not meet our delivery time requirements or provide adequate amounts of material to meet our needs, and we may make errors in manufacturing, any of which could delay our clinical trials and result in additional expense to us.

Our autologous cell therapy product candidates, including Descartes-08, are made on a patient-by-patient basis, rendering their manufacture less predictable and requiring more demanding logistics.

We rely on one or more third-party laboratories to perform certain quality control tests. These laboratories could become unavailable, or provision of their services could be delayed.

Additionally, as we scale up our manufacturing, we may encounter further challenges. Furthermore, competition for supply from our manufacturers from other companies, a breach or violation by such manufacturers of their contractual or regulatory obligations or a dispute with such manufacturers would cause delays in our discovery and development efforts, as well as additional expense to us.

In developing manufacturing capabilities by building our own manufacturing facilities, we have incurred substantial expenditures, and expect to incur significant additional expenditures in the future. Also, we have had to, and will likely need to continue to recruit, hire, and train qualified employees to staff our facilities. If we are unable to manufacture sufficient quantities of material or if we encounter problems with our facilities in the future, we may also need to secure alternative suppliers, and such alternative suppliers may not be available, or we may be unable to enter into agreements with them on reasonable terms and in a timely manner. In addition, to the extent we or our partners rely on contract manufacturing organizations, or CMOs, to supply our product candidates, any delays or disruptions in supply could have a material adverse impact on the research and development activities and potential commercialization of our or our partners' product candidates.

The manufacturing process for any products that we may develop is subject to the FDA and foreign regulatory authority approval process and we will need to meet, or will need to contract with CMOs who can meet, all applicable FDA and foreign regulatory authority requirements on an ongoing basis. Our failure or the failure of any CMO to meet required regulatory authority requirements could result in the delayed submission of regulatory applications, or delays in receiving regulatory approval for any of our or our current or future collaborators' product candidates.

To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we depend, and will depend in the future, on these third parties to perform their obligations in a timely manner and consistent with contractual and regulatory requirements, including those related to quality control and quality assurance. The failure of any CMO to perform its obligations as expected, or, to the extent we manufacture all or a portion of our product candidates ourselves, our failure to execute on our manufacturing requirements, could adversely affect our business in a number of ways, including:

- we or our current or future collaborators may not be able to initiate or continue clinical trials of product candidates that are under development;
- we or our current or future collaborators may be delayed in submitting regulatory applications, or receiving regulatory approvals, for our product candidates;
- we may lose the cooperation of our collaborators;
- our facilities and those of our CMOs, and our products could be the subject of inspections by regulatory authorities that could have a negative outcome and result in delays in supply;
- we may be required to cease distribution or recall some or all batches of our products or take action to recover clinical trial material from clinical trial sites; and
- ultimately, we may not be able to meet the clinical and commercial demands for our products.

If we are unable to enter into future collaborations and licensing arrangements, our business could be adversely affected.

We intend to explore licenses and other strategic collaborations with pharmaceutical and biotechnology companies for development and potential commercialization of therapeutic products. However, we face significant competition in seeking appropriate collaborators. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the

necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market or continue to develop our programs, and our business may be materially and adversely affected.

We rely, and expect to continue to rely, on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including by failing to meet deadlines for the completion of such trials.

We rely, and expect to continue to rely, on third parties, such as CROs, clinical data management organizations, medical institutions and clinical investigators, to conduct and manage our clinical trials, including our ongoing Phase 1/2 clinical trial of Descartes-08. We also expect to rely on other third parties to store and distribute drug supplies for our clinical trials.

While we rely on these third parties for research and development activities, we 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 requires us to comply with GCP regulations, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, safety and welfare of trial participants are protected. Other countries' regulatory agencies also have requirements for clinical trials. If we or any of our CROs or third-party contractors fail to comply with applicable GCPs, the data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, www.ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity, and civil and criminal sanctions.

Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, do not comply with confidentiality obligations, do not meet expected deadlines, experience work stoppages, terminate their agreements with us or need to be replaced, or do not conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we may need to enter into new arrangements with alternative third parties, which could be difficult, costly or impossible, and our clinical trials may be extended, delayed or terminated, or may need to be repeated. If any of the foregoing occur, we may not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates or in commercializing our product candidates.

Risks Related to Commercialization of our Product Candidates and Legal Compliance Matters

Even if any of our product candidates receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any of our product candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on several factors, including:

- the efficacy, safety and potential advantages compared to alternative treatments;
- our ability to manufacture and distribute cell therapies in a timely and secure manner;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- product labeling or product insert requirements of the FDA or foreign regulatory authorities, including any limitations or warnings contained in a product's approved labeling, including any black box warning or REMS;
- the willingness of the target patient population to try new treatments and of physicians to prescribe these treatments;
- our ability to hire and retain a sales force;
- the strength of marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement for our product candidates, once approved;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our products together with other medications.

We currently have no sales organization. If we are unable to establish effective sales, marketing and distribution capabilities, or enter into agreements with third parties with such capabilities, we may not be successful in commercializing our product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for any product candidate for which we obtain marketing approval, we will need to establish a sales and marketing organization or make arrangements with third parties to perform sales and marketing functions and we may not be successful in doing so. We expect to build a focused sales and marketing infrastructure to market or co-promote our product candidates in the United States and potentially elsewhere, if and when they are approved. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

We face substantial competition, including from biosimilars, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.

The development and commercialization of new drug and biologic products and technologies is highly competitive and is characterized by rapid and substantial technological development and product innovations. We are aware that pharmaceutical and biotechnology companies, offer or are pursuing the development of pharmaceutical products or technologies that may address one or more indications that our product candidates target, as well as smaller, early-stage companies, that offer or are pursuing the development of pharmaceutical products or technologies that may address one or more indications that our product candidates target. We face competition with respect to our current product candidates and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources, established presence in the market and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and reimbursement for product candidates and in marketing approved products than we do.

These third parties compete with us in recruiting and retaining qualified scientific, sales and marketing and management personnel, 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 products that are more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market, especially for any competitor developing a cell therapy product that will likely share our same regulatory approval requirements. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic or biosimilar products.

We expect the product candidates we develop will be regulated as biological products, or biologics, and therefore they may be subject to competition sooner than anticipated.

The Biologics Price Competition and Innovation Act of 2009, or the BPCIA, was enacted as part of the Affordable Care Act to establish an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as "interchangeable" based on its similarity to an approved biologic. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the reference product was approved under a biologics license application, or BLA. The law is still being interpreted and implemented by the FDA, and as a result, its ultimate impact, implementation, and meaning are subject to uncertainty. However, any such processes could have a material adverse effect on the future commercial prospects for our biological products.

We believe that any product candidate approved in the United States as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to Congressional action or otherwise, or that the FDA will not consider the subject product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of the reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

Even if we are able to commercialize any of our product candidates, the products may become subject to unfavorable pricing regulations or third-party coverage or reimbursement policies, any of which would have a material adverse effect on our business.

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we obtain regulatory approval, especially novel products like our cell therapy product candidates, and may be particularly difficult because of the higher prices associated with such product candidates. Our ability to commercialize any product candidates successfully will depend, in part, on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels.

Obtaining and maintaining adequate reimbursement for our products may be difficult. We cannot be certain if we will obtain an adequate level of reimbursement for our products by third-party payors. Even if we do obtain adequate levels of reimbursement, third-party payors, such as government or private healthcare insurers, carefully review and question the coverage of, and challenge the prices charged for, products. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Third-party payors often require that pharmaceutical companies provide them with predetermined discounts from list prices and are challenging the prices charged for products. We may also be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. Some third-party payors may require pre-approval of coverage for new and innovative therapies, such as our product candidates, before they will provide reimbursement. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

There may be significant delays in obtaining reimbursement for newly approved products, and coverage may be more limited than the purposes for which the product is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for reimbursement does not imply that a product will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new products, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the product and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost products and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of products from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

The regulations that govern marketing approvals, pricing, coverage and reimbursement for new products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a product before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control, including possible price reductions, even after initial approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain marketing approval. There can be no assurance that our product candidates, if they are approved for sale in the United States or in other countries, will be considered medically necessary for a specific indication or cost-effective, or that coverage or an adequate level of reimbursement will be available.

Moreover, there is heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed bills designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. There can be no assurance that our product candidates, will not be subject to heightened governmental scrutiny, unfavorable regulatory inquiry or action, or Congressional inquiry.

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

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

- regulatory investigations, product recalls or withdrawals, or labeling, marketing or promotional restrictions;
- decreased demand for any product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- loss of clinical trial participants or increased difficulty in enrolling future participants;
- significant costs to defend the related litigation or to reach a settlement;
- substantial payments to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy;
- the inability to commercialize any products that we may develop;
- distraction of management's attention from our primary business; and
- substantial monetary awards to patients or other claimants.

We maintain general liability, product liability and umbrella liability insurance. Our existing insurance coverage may not fully cover potential liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. 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. A product liability claim or series of claims brought against us could cause our share price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business, including preventing or limiting the commercialization of any product candidates we develop.

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

Arrangements with physicians, others who may be in a position to generate business for us, and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that constrain the business or financial arrangements and relationships through which we market, sell and distribute any products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal False Claims Act, which impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented, to the federal government claims for payment that are false or fraudulent. Private individuals (e.g., whistleblowers) can bring these actions on behalf of the government; in addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- HIPAA, as amended by HITECH and their respective implementing regulations, which also impose obligations, including mandatory contractual terms, on certain types of people and entities with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal Physician Payments Sunshine Act, or the Sunshine Act, which requires applicable manufacturers of certain products for which payment is available under a federal healthcare program to report annually to the government information related to certain payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain other health care professionals beginning in 2022, and teaching hospitals, as well as ownership and investment interests held by the physicians and their immediate family members;

- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by third-party payors, including private insurers; and requirements to comply with federal and pharmaceutical industry compliance guidelines;
- state data privacy and price transparency laws, many of which differ from each other in significant ways and often are broader than and not preempted by HIPAA or the Sunshine Act, thus complicating compliance efforts; by way of example, the California Consumer Privacy Act, or CCPA, which went into effect January 1, 2020, among other things, creates new data privacy obligations for covered companies and provides new privacy rights to California residents, including the right to opt out of certain disclosures of their information. The CCPA also creates a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. Although the law includes limited exceptions, including for "protected health information" maintained by a covered entity or business associate, it may regulate or impact our processing of personal information depending on the context; and
- similar healthcare laws and regulations in the EU and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers and laws governing the privacy and security of certain protected information, such as the General Data Protection Regulation, or GDPR, which imposes obligations and restrictions on the collection and use of personal data relating to individuals located in the EU (including health data); in addition, the United Kingdom leaving the EU could also lead to further legislative and regulatory changes. It remains unclear how the United Kingdom data protection laws or regulations will develop in the medium to longer term and how data transfer to the United Kingdom from the EU will be regulated. However, the United Kingdom has transposed the GDPR into domestic law with the Data Protection Act 2018, which remains in force following the United Kingdom's departure from the EU.

Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices, including our relationships with physicians and other healthcare providers, some of whom may recommend, purchase and/or prescribe our product candidates, if approved, may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental laws and regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, disgorgement, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. The risk of our being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations.

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

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

For example, the Patient Protection and Affordable Care Act of 2010, or the ACA, is a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA. We cannot predict the ultimate content, timing or effect of any healthcare reform legislation or the impact of potential legislation on us.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products.

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

The ability of the FDA to review and or approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs and biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. If a prolonged government shutdown occurs, or if global health concerns were to again prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

We 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 have a material adverse effect on our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations administered by the U.S. Commerce Department's Bureau of Industry and Security, U.S. customs regulations, various economic and trade sanctions regulations including those administered or enforced by relevant government authorities, such as by the U.S. Treasury Department's Office of Foreign Assets Control or the U.S. Department of State, the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism, or PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. U.S. sanctions laws and regulations may govern or restrict our business and activities in certain countries and with certain persons. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other partners 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 for clinical trials outside of the United States, to sell our product candidates abroad once we enter a commercialization phase, 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 partners, even if we do not explicitly authorize or have actual knowledge of such activities. Our 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 third parties we rely upon 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 our business.

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

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

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

Risks Related to our Financial Position and Need for Additional Capital

We are a development-stage company and have incurred significant losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.

Except for the year ended December 31, 2022, we have incurred significant operating losses since our inception. We incurred a net loss of $219.7 million, had net income of $35.4 million, and incurred a net loss of $25.7 million for the years ended December 31, 2023, 2022, and 2021, respectively. As of December 31, 2023, we had an accumulated deficit of $614.6 million. To date, we have financed our operations primarily through public offerings and private placements of our securities, funding received from collaboration and license arrangements and a credit facility. We currently have no source of product revenue, and we do not expect to generate product revenue for the foreseeable future. Historically we devoted substantially all of our financial resources and efforts to developing our ImmTOR platform and following the closing of the Merger, or the Closing, we expect to devote substantially all of our financial resources and efforts to developing our mRNA-based therapies for the treatment of autoimmune diseases, identifying potential product candidates and conducting preclinical studies and our clinical trials. We are in the early stages of clinical development of most of our product candidates. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We expect that our expenses will increase substantially as we:

- continue the research and development of our product candidates;
- increase and develop our manufacturing and distribution capacities;
- discover and develop additional product candidates;
- seek to maintain and enter into collaboration, licensing and other agreements, including, but not limited to research and development, and/or commercialization agreements;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- potentially establish a sales, marketing and distribution infrastructure and scale up internal manufacturing capabilities to commercialize any products for which we may obtain regulatory approval;
- maintain, expand and protect our intellectual property portfolio, including through licensing arrangements;
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our product development and potential future commercialization efforts;
- experience any delays or encounter any issues with any of the above, including, but not limited to, failed studies, complex results, safety issues or other regulatory, manufacturing or scale-up challenges; and
- are exposed to broad macroeconomic conditions including inflation and supply chain tightness which could result in us paying more, or being unable, to access goods and services.

To become and remain profitable, we must succeed in developing and eventually commercializing products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our product candidates, discovering additional product candidates, obtaining regulatory approval and securing reimbursement for these product candidates, manufacturing, marketing and selling any products for which we may obtain regulatory approval, and establishing and managing our collaborations at various stages of a product candidate's development. We are only in the preliminary stages of most of these activities. We may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability.

Because of the numerous risks and uncertainties associated with pharmaceutical and biological product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. If we are required by the FDA or other regulatory authorities to perform studies in addition to those currently expected, or if there are any delays in completing our clinical trials or the development of any of our product candidates, our expenses could increase and product revenue could be further delayed.

We may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to remain profitable would depress our value and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or continue our operations.

We will need substantial additional funding in order to complete development of our product candidates and commercialize our products, if approved. If we are unable to raise capital when needed and on terms favorable to us, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue research and development for other product candidates. Additionally, if we obtain regulatory approval for any of our product candidates, we

expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. Accordingly, we will need to obtain substantial additional funding to continue operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our clinical trials, our other research and development programs or any future commercialization efforts.

We believe that our existing cash, cash equivalents and restricted cash as of December 31, 2023, combined with net proceeds received subsequent to December 31, 2023 in connection with our November 2023 private placement, will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. We may pursue additional cash resources through public or private equity or debt financings, by establishing collaborations with other companies or through the monetization of potential royalty and/or milestone payments pursuant to our existing collaboration and license arrangements. Management's expectations with respect to our ability to fund current and long-term planned operations are based on estimates that are subject to risks and uncertainties. If actual results are different from management's estimates, we may need to seek additional strategic or financing opportunities sooner than would otherwise be expected. However, there is no guarantee that any of these strategic or financing opportunities will be executed on favorable terms, and some could be dilutive to existing stockholders. If we are unable to obtain additional funding on a timely basis, we may be forced to significantly curtail, delay, or discontinue one or more of our planned research or development programs or be unable to expand our operations, meet long-term obligations or otherwise capitalize on our commercialization of our product candidates. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

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

- the timing for stockholder approval of the conversion of our Series A Non-Voting Convertible Preferred Stock, par value $0.0001 per share, or Series A Preferred Stock, into shares of our common stock and any redemptions of Series A Preferred Stock for cash;
- the scope, progress, results and costs of our clinical trials, preclinical development, manufacturing, laboratory testing and logistics;
- the number of product candidates that we pursue and the speed with which we pursue development;
- our headcount growth and associated costs;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, from commercial sales of our product candidates for which we receive marketing approval;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products and technologies, including entering into licensing or collaboration arrangements for product candidates.

The Certificate of Designation of Preferences, Rights and Limitations of the Series A Non-Voting Convertible Preferred Stock, or the Certificate of Designation, contains a provision granting each holder of the Series A Preferred Stock the option to require us to redeem any or all of such holder's shares of Series A Preferred Stock beginning on the date that is 18 months following Closing; provided, however, that no holder will have the right to seek redemption of any shares of Series A Preferred Stock to the extent that such holder would otherwise be unable to convert such shares of Series A Preferred Stock due to the common stock beneficial ownership limitation contained in the Certificate of Designation. The per-share redemption price is the average closing trading price of the common stock for the ten preceding trading days ending on, and including, the trading day immediately prior to the date a notice of conversion is delivered to us. We could be required to use a significant amount of our cash resources on hand to satisfy this redemption obligation, particularly if holders of Series A Preferred Stock exercise their redemption right with respect to a significant number of shares of Series A Preferred Stock or at a time when the trading price of our common stock is elevated. Further, in the event that we do not have sufficient cash on hand to satisfy our redemption obligations, we may need to raise additional capital to satisfy these potential obligations. Any redemption payments could materially limit the amount of cash we have available to fund our operations.

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. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Market volatility resulting from the ongoing conflicts in Ukraine and the Middle East and current global macroeconomic conditions or other factors could also adversely impact our ability to access capital as and when needed. Moreover, the terms of any financing may adversely affect the holdings or the

rights of our stockholders, and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all of our stockholders. The incurrence of indebtedness could result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs, including our clinical trial programs, or the commercialization of any product candidates, or be unable to sustain or expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Our ability to use our net operating loss and research and development tax credit carryforwards to offset future taxable income may be subject to certain limitations.

We have net operating loss carryforwards, or NOLs, for federal and state income tax purposes that may be available to offset our future taxable income, if any. In general, under Sections 382 and 383 of the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to use its pre-change NOLs to offset future taxable income. If the IRS, challenges our analysis that existing NOLs will not expire before utilization due to previous ownership changes, or if we undergo an ownership change, our ability to use our NOLs could be limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Sections 382 and 383 of the Code.

Furthermore, our ability to use NOLs of companies that we may acquire in the future may be subject to limitations. As a result, we may not be able to use a material portion of the NOLs reflected on our balance sheet, even if we attain profitability. Under current law, NOLs that arose before January 1, 2018 may be carried forward up to 20 years. NOLs that arose after 2017 may be used to offset at most 80% of our taxable income to the extent not offset by pre-2018 NOLs and such NOLs can be carried forward indefinitely. As a result, we may become required to pay federal income taxes in future years despite having generated losses for federal income tax purposes in prior years.

Risks Related to our Intellectual Property

If we or our licensors are unable to adequately protect our proprietary technology, or obtain and maintain issued patents that are sufficient to protect our product candidates, others could compete against us more directly, which would negatively impact our business.

Our success depends in large part on our ability to obtain and maintain patent and other intellectual property protection in the United States and other countries with respect to our proprietary technology and products. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel technologies and product candidates. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner or in all jurisdictions. As we reach the statutory deadlines for deciding whether and where to initiate prosecution in specific foreign jurisdictions by filing national stage applications based on our Patent Cooperation Treaty, or PCT, applications, we will have to decide whether and where to pursue patent protection for the various inventions claimed in our patent portfolio, and we will only have the opportunity to obtain patents in those jurisdictions where we pursue protection. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. It is possible that defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, such as, with respect to proper priority claims, inventorship, claim scope or patent term adjustments. If there are material defects in the form or preparation of our patents or patent applications, such patents or applications may be invalid and unenforceable. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business. We also cannot guarantee that 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, are complete and thorough, 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 our product candidates in any jurisdiction.

In some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents covering technology that we license from third parties. We may also require the cooperation of our licensors to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. Moreover, we have obligations under our licenses, and any failure to satisfy those obligations could give our licensor the right to terminate the license. Termination of a necessary license could have a material adverse impact on our business.

Some of our patent licenses are non-exclusive. In those cases, a competitor could obtain a license to the same or similar technology from the licensor. We have at least one exclusive patent license that is restricted to a particular field of use. A competitor could obtain a license to a similar technology outside of that field of use.

We cannot provide any assurances that the issued patents we currently own, or any future patents, include claims with a scope sufficient to protect our product candidates or otherwise provide any competitive advantage.

Further, it is possible that a patent claim may provide coverage for some but not all parts of a product candidate or third-party product. These and other factors may provide opportunities for our competitors to design around our patents.

Moreover, other parties may have developed technologies that may be related or competitive to our approach, and may have filed or may file patent applications, and may have received or may receive patents that may overlap or conflict with our patent applications, either by claiming similar methods or by claiming subject matter that could dominate our patent position. In addition, it may be some time before we understand how the patent office reacts to our patent claims and whether they identify prior art of relevance that we have not already considered.

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 any owned patents or pending patent applications, or that we were the first to file for patent protection of such inventions, nor can we know whether those from whom we may license patents were the first to make the inventions claimed or were the first to file. For these and other reasons, the issuance, scope, validity, enforceability and commercial value of our patent rights are subject to a level of uncertainty. Our pending and future patent applications may not result in patents being issued that protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. 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.

We may be subject to a third-party preissuance submission of prior art to the U.S. Patent and Trademark Office, or USPTO, or other patent office, or become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize product candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates. Furthermore, an adverse decision in an interference proceeding can result in a third party receiving the patent right sought by us, which in turn could affect our ability to develop, market or otherwise commercialize our product candidates. The issuance, scope, validity, enforceability and commercial value of our patents are subject to a level of uncertainty.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. Due to legal standards relating to patentability, validity, enforceability and claim scope of patents covering biotechnological and pharmaceutical inventions, our ability to obtain, maintain and enforce patents is uncertain and involves complex legal and factual questions. Even if issued, a patent's validity, inventorship, ownership or enforceability is not conclusive. Accordingly, rights under any existing patent or any patents we might obtain or license may not cover our product candidates, or may not provide us with sufficient protection for our product candidates to afford a commercial advantage against competitive products or processes, including those from branded and generic pharmaceutical companies.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how, information, or technology that is not covered by our patents. Although our agreements require all of our employees to assign their inventions to us, and we require all of our employees, consultants, advisors and any other third parties who have access to our trade secrets, proprietary know-how and other confidential information and technology to enter into appropriate confidentiality agreements, we cannot be certain that our trade secrets, proprietary know-how, and other confidential information and technology will not be subject to unauthorized disclosure or that our competitors will not otherwise gain access to or independently develop substantially equivalent trade secrets, proprietary know-how, and other information and technology. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting

and defending our intellectual property globally. If we are unable to prevent unauthorized disclosure of our intellectual property related to our product candidates and technology to third parties, we may not be able to establish or maintain a competitive advantage in our market, which could adversely affect our business and operations.

Any litigation to enforce or defend our patent rights, even if we were to prevail, could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. Even if we are successful, domestic or foreign litigation, or USPTO or foreign patent office proceedings, may result in substantial costs and distraction to our management. We may not be able, alone or with our licensors or potential collaborators, to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other proceedings, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or other proceedings. In addition, during the course of this kind of litigation or proceedings, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If investors perceive these results to be negative, the market price for our common stock could be adversely affected.

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

In addition to seeking patents for some of our technology and product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also seek to enter into confidentiality and invention or patent assignment agreements with our employees, advisors and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Our trade secrets may also be obtained by third parties by other means, such as breaches of our physical or computer security systems. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to, or independently developed by, a competitor, our competitive position would be harmed.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biotechnology industry involves both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, recent patent reform legislation could further increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith Act America Invents Act, or the Leahy-Smith Act, included provisions that affect the way patent applications are prosecuted and may also affect patent litigation, including first-to-file provisions. A third party that files a patent application in the USPTO before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by the third party. This requires us to be cognizant of the time from invention to filing of a patent application. Thus, for our U.S. patent applications containing a priority claim after March 16, 2013, the date such provisions became effective, there is a greater level of uncertainty in the patent law. Moreover, some of the patent applications in our portfolio will be subject to examination under the pre-Leahy-Smith Act law and regulations, while other patents applications in our portfolio will be subject to examination under the law and regulations, as amended by the Leahy-Smith Act. This introduces additional complexities into the prosecution and management of our portfolio.

In addition, the Leahy-Smith Act limits where a patentee may file a patent infringement suit and provides opportunities for third parties to challenge any issued patent in the USPTO. These provisions apply to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal court necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a federal court action.

Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims because it may be easier for them to do so relative to challenging the patent in a federal court action. It is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the

uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

In addition, recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. From time to time, the U.S. Supreme Court, other federal courts, the U.S. Congress or the USPTO may change the standards of patentability, and any such changes could have a negative impact on our business.

Depending on these and other decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change or be interpreted in unpredictable ways that would weaken our ability to obtain new patents or to enforce any patents that may issue to us in the future. In addition, these events may adversely affect our ability to defend any patents that may issue in procedures in the USPTO or in courts.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability, and the ability of our collaborators, to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. While no such litigation has been brought against us and we have not been held by any court to have infringed a third party's intellectual property rights, we cannot guarantee that our technology, product candidates or use of our product candidates do not infringe third-party patents.

We are aware of numerous patents and pending applications owned by third parties, and we monitor patents and patent applications in the fields in which we are developing product candidates, both in the United States and elsewhere. However, we may have failed to identify relevant third-party patents or applications. For example, applications filed before November 29, 2000 and certain applications filed after that date that will not be filed outside the United States remain confidential until patents issue. Moreover, it is difficult for industry participants, including us, to identify all third-party patent rights that may be relevant to our product candidates and technologies because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. 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. In addition, we may be unaware of one or more issued patents that would be infringed by the manufacture, sale or use of a current or future product candidate, or we may incorrectly conclude that a third-party patent is invalid, unenforceable or not infringed by our activities. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our product candidates or the use of our product candidates.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that our product candidates or the use of our technologies infringes patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates and technology, including interference or derivation proceedings before the USPTO and similar bodies in other countries. Third parties may assert infringement claims against us based on existing intellectual property rights and intellectual property rights that may be granted in the future.

Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. If we are found, or believe there is a risk we may be found, to infringe a third party's intellectual property rights, we could be required or may choose to obtain a license from such third party to continue developing and marketing our product candidates and technology. However, we may not be able to obtain any such 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. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially 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.

Even if we are successful in such proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. Patent litigation is costly and time-consuming. We may not have sufficient resources to bring these actions to a successful conclusion. There could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Any of these risks coming to fruition could have a material adverse impact on our business.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, and our issued patents covering our product candidates could be found invalid or unenforceable or could be interpreted narrowly if challenged in court.

Competitors may infringe our intellectual property, including our patents or the patents of our licensors. As a result, we may be required to file infringement claims to stop third-party infringement or unauthorized use. This can be expensive, particularly for a company of our size, and time-consuming. If we initiated legal proceedings against a third party to enforce a patent, if and when issued, covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement, or failure to claim patent-eligible subject matter. Grounds for unenforceability assertions include allegations that someone connected with the prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, inter partes review, interference proceedings and equivalent proceedings in foreign jurisdictions, such as opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Moreover, even if not found invalid or unenforceable, the claims of our patents could be construed narrowly or in a manner that does not cover the allegedly infringing technology in question. Such a loss of patent protection would have a material adverse impact on our business.

The lives of our patents may not be sufficient to effectively protect our products and business.

Patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after its first effective non-provisional filing date. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates, proprietary technologies and their uses are obtained, once the patent life has expired, we may be open to competition. In addition, although upon issuance in the United States a patent's life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. If we do not have sufficient patent life to protect our product candidates, proprietary technologies and their uses, our business and results of operations will be adversely affected.

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent and, in some jurisdictions, during the pendency of a patent application. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction.

Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market, which would have an adverse effect on our business.

We may not be successful in obtaining or maintaining necessary rights to our product candidates through acquisitions and in-licenses.

We currently have rights to certain intellectual property, through licenses from third parties and under patents and patent applications that we own, to develop our product candidates. Because we may find that our programs require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. We may be unable to acquire or in-license compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our product candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also

pursuing 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, financial resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment.

If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of that program and our business and financial condition could suffer.

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 employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may also engage advisors and consultants who are concurrently employed at universities or other organizations or who perform services for other entities.

Although we try to ensure that our employees, advisors and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, advisors or consultants have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such party's former or current employer or in violation of an agreement with another party. Although we have no knowledge of any such claims being alleged to date, if such claims were to arise, litigation may be necessary to defend against any such claims.

In addition, while it is our policy to require our employees, consultants, advisors and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. Similarly, we may be subject to claims that an employee, advisor or consultant performed work for us that conflicts with that person's obligations to a third party, such as an employer, and thus, that the third party has an ownership interest in the intellectual property arising out of work performed for us. Litigation may be necessary to defend against these claims.

Although we have no knowledge of any such claims being alleged to date, if such claims were to arise, litigation may be necessary to defend against any such claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than in the United States, assuming that rights are obtained in the United States and assuming that rights are pursued outside the United States. In this regard, in addition to the United States, we also seek to protect our intellectual property rights in other countries. The statutory deadlines for pursuing patent protection in individual foreign jurisdictions are based on the priority date of each of our patent applications. For all of the patent families in our portfolio, including the families that may provide coverage for our lead product candidate, the relevant statutory deadlines have not yet expired. Therefore, for each of the patent families that we believe provide coverage for our lead product candidate, we will need to decide whether and where to pursue additional protection outside the United States. In addition, the laws of some foreign countries, do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, for our existing patent rights outside the United States and any foreign patent rights we may decide to pursue in the future, we may not be able to obtain relevant claims and/or we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions.

Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as in the United States. These products may compete with our product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

If we do not obtain additional protection under the Hatch-Waxman Act and similar foreign legislation extending the terms of our patents for our product candidates, our business may be harmed.

Depending upon the timing, duration and specifics of FDA regulatory approval for our product candidates, one or more of our U.S. patents may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. Patent term restorations, however, are limited to a maximum of five years and cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval by the FDA.

The application for patent term extension is subject to approval by the USPTO, in conjunction with the FDA. It takes at least six months to obtain approval of the application for patent term extension. We may not be granted an extension because of, for example, 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 request. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product will be shortened, our competitors may obtain earlier approval of competing products and our ability to generate revenues could be materially adversely affected.

Risks Related to our Operations

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

We are highly dependent on Carsten Brunn, Ph.D., our President and Chief Executive Officer, as well as the other principal members of our management, scientific and clinical teams. Although we have entered into employment agreements or offer letters with Dr. Brunn and other executive officers, each of them may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees.

Recruiting and retaining qualified scientific, clinical, manufacturing, technology and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize product candidates. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key 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 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. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

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

As a public company, we have incurred and expect to continue to incur significant legal, accounting and other expenses. If we are unable to maintain effective internal control over financial reporting, we may not have adequate, accurate or timely financial information, and we may be unable to meet our reporting obligations as a public company or comply with the requirements of the SEC or Section 404 of the Sarbanes-Oxley Act of 2002. This could result in a restatement of our financial statements, the imposition of sanctions, including the inability of registered broker dealers to make a market in our common stock, or investigation by regulatory authorities. Any such action or other negative results caused by our inability to meet our reporting requirements or comply with legal and regulatory requirements or by disclosure of an accounting, reporting or control issue could adversely affect the trading price of our securities and our business. Material weaknesses in our internal control over financial reporting could also reduce our ability to obtain financing or could increase the cost of any financing we obtain. 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 have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting and concluded that our internal control over financial reporting was not effective as of December 31, 2023. There are no material accounting errors or omissions within the consolidated financial statements as a result of this material weakness. We concluded that we did not design and implement effective internal controls specifically related to the documentation of the assumptions supporting the valuation of the in-process intangible assets in connection with the Old Cartesian material business combination and the initial and ongoing contingent value right obligation issued at the time to legacy Selecta stockholders. This includes a lack of sufficient documentation to provide evidence of the associated management review controls.

In response to the identified material weakness above, we, with the oversight of the Audit Committee of the Board of Directors, or the Audit Committee, intend to take comprehensive actions to remediate the material weakness in internal control over financial reporting. We expect to re-evaluate the scope and level of precision for conducting and documenting the reviews over significant acquisitions and contingent value rights including the review of prospective financial information used in valuation reports produced by third-party specialists supporting the accounting for business combinations and contingent value rights. The remediation efforts are intended both to address the identified material weakness and to enhance our overall financial control environment.

This material weakness and any other failure to maintain effective internal control over financial reporting could result in a loss of confidence in the reliability of our financial statements which could have a negative impact on the trading price of our common stock and harm our ability to raise additional capital on acceptable terms or at all.

A variety of risks associated with maintaining our subsidiary in Russia or expanding operations internationally could adversely affect our business.

In addition to our U.S. operations, we maintain a wholly owned subsidiary in Russia, Selecta (RUS). However, we are in the process of winding down all remaining operations of this subsidiary. We may face risks associated with winding down the operations of our subsidiary in Russia, or with any international operations, including possible unfavorable regulatory, pricing and reimbursement, legal, political, tax and labor conditions, and risks associated with our compliance with evolving international sanctions, which could harm our business. We may also rely on collaborators to commercialize any approved product candidates outside of the United States. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations, such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us to obtain and maintain regulatory approvals for the use of our product candidates in various countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining protection of and enforcing our intellectual property rights;
- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple-payor reimbursement regimes, government payors or patient self-pay systems;
- limits on our ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our product candidates and exposure to foreign currency exchange rate fluctuations, which could result in increased operating expenses and reduced revenues;
- natural disasters, political and economic instability, including wars, events of terrorism and political unrest, outbreak of disease, including the COVID-19 pandemic, boycotts, curtailment of trade and other business restrictions, economic sanctions, and economic weakness, including inflation;
- changes in diplomatic and trade relationships;
- challenges in enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- restriction on cross-border investment, including enhanced oversight by the Committee on Foreign Investment in the United States and substantial restrictions on investment from China;
- certain expenses including, among others, expenses for travel, translation and insurance;

- legal risks, including use of the legal system by the government to benefit itself or affiliated entities at our expense, including expropriation of property;
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the FCPA its books and records provisions, or its anti-bribery provisions; and
- risks that we may suffer reputational harm as a result of our operations in Russia.

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

Our business and operations, including our development programs, could be materially disrupted in the event of system failures, security breaches, violations of data protection laws or data loss or damage by us or third parties on which we rely, including our CROs or other contractors or consultants.

Our internal computer systems and those of third parties on which we rely, including our CROs and other contractors and consultants, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could have a material adverse effect on our business operations, including a material disruption of our development programs. Unauthorized disclosure of sensitive or confidential patient or employee data, including personally identifiable information, whether through breach of computer systems, systems failure, employee negligence, fraud or misappropriation, or otherwise, or unauthorized access to or through our information systems and networks, whether by our employees or third parties, could result in negative publicity, legal liability and damage to our reputation. Unauthorized disclosure of personally identifiable information could also expose us to sanctions for violations of data privacy laws and regulations around the world. To the extent that any disruption or security breach resulted in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our product candidates could be delayed. For example, the loss of or damage to clinical trial data, such as from completed or ongoing clinical trials, for any of our product candidates would likely result in delays in our marketing approval efforts and significantly increased costs in an effort to recover or reproduce the data.

We have previously been, and expect to remain, the target of cyber-attacks. As we become more dependent on information technologies to conduct our operations, cyber incidents, including deliberate attacks, such as ransomware attacks, and attempts to gain unauthorized access to computer systems and networks, may increase in frequency and sophistication. These incidents pose a risk to the security of our systems and networks, the confidentiality and the availability and integrity of our data and these risks apply both to us, and to third parties on whose systems we rely for the conduct of our business. While we do not believe the effect of these incidents has historically been material to our results of operations, financial condition or prospects, cyber threats are persistent and constantly evolving. Such threats have increased in frequency, scope and potential impact in recent years, which increases the difficulty of detecting and successfully defending against them. As cyber threats continue to evolve, we may be required to incur additional expenses in order to enhance our protective measures or to remediate any information security vulnerability. There can be no assurance that we or our third-party providers will be successful in preventing cyber-attacks or mitigating their effects. Similarly, there can be no assurance that our collaborators, CROs, third-party logistics providers, distributors and other contractors and consultants will be successful in protecting our clinical and other data that is stored on their systems. Any cyber-attack or destruction or loss of data could have a material adverse effect on our business and prospects. In addition, we may suffer reputational harm or face litigation or adverse regulatory action as a result of cyber-attacks or destruction or loss of data and may incur significant additional expense to implement further data protection measures. It is also possible that unauthorized access to data may be obtained through inadequate use of security controls by our suppliers or other vendors.

Although we have general liability insurance coverage, our insurance may not cover all claims, continue to be available on reasonable terms or be sufficient in amount to cover one or more large claims. Additionally, the insurer may disclaim coverage as to any claim. The successful assertion of one or more large claims against us that exceed or are not covered by our insurance coverage or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, prospects, operating results and financial condition.

Acquisitions or joint ventures could disrupt our business, cause dilution to our stockholders and otherwise harm our business.

We may acquire other businesses, product candidates or technologies as well as pursue strategic alliances, joint ventures, technology licenses or investments in complementary businesses. We have not made any acquisitions to date, and our ability to do so successfully is unproven. Any of these transactions could be material to our financial condition and operating results and expose us to many risks, including:

- disruption in our relationships with future customers or with current or future distributors or suppliers as a result of such a transaction;
- unexpected liabilities related to acquired companies;
- difficulties integrating acquired personnel, technologies and operations into our existing business;
- diversion of management time and focus from operating our business to acquisition integration challenges;
- increases in our expenses and reductions in our cash available for operations and other uses;
- possible write-offs or impairment charges relating to acquired businesses; and
- inability to develop a sales force for any additional product candidates.

Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries.

Also, the expected benefit of any acquisition may not materialize. Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, any of which could harm our financial condition. We cannot predict the number, timing or size of future joint ventures or acquisitions, or the effect that any such transactions might have on our operating results.

Risks Related to our Common Stock

The market price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock.

The trading price of our common stock is likely to be volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The stock market in general and the market for smaller biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above the price at which you purchased. The market price for our common stock may be influenced by many factors, including:

- the success of competitive products or technologies;
- results or progress, or changes in approach or timelines, of clinical trials of our product candidates or those of our competitors;
- failure or discontinuation of any of our development programs;
- commencement of, termination of, or any development related to any collaboration or licensing arrangement;
- regulatory or legal developments in the United States and other countries;
- development of new product candidates that may address our markets and make our product candidates less attractive;
- changes in physician, hospital or healthcare provider practices that may make our product candidates less useful;
- announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- announcement or market expectation of additional financing efforts;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or clinical development programs;
- failure to meet or exceed financial estimates, projections or development timelines of the investment community or that we provide to the public;
- the results of our efforts to discover, develop, acquire or in-license additional product candidates or products;
- actual or expected changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- 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;

- sale of common stock by us or our stockholders in the future as well as the overall trading volume of our common stock;
- changes in the composition of our stockholder base;
- activity in the options market for shares of our common stock;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this "*Risk Factors"* section.

Our executive officers, directors, and principal stockholders, if they choose to act together, will continue to have the ability to control or significantly influence all matters submitted to stockholders for approval.

Our executive officers, directors and stockholders who own more than 5% of our outstanding common stock and their respective affiliates, in the aggregate, hold shares representing approximately 60.1% of our outstanding voting stock as of December 31, 2023, and assuming the conversion of all shares of Series A Preferred Stock into common stock and reflecting the completion of the November 2023 private placement, which occurred subsequent to December 31, 2023. As a result, if these stockholders choose to act together, they would be able to control or significantly influence all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control or significantly influence the election of directors, the composition of our management and approval of any merger, consolidation or sale of all or substantially all of our assets.

Future sales of a substantial number of shares of our common stock in the public market, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

Concurrently and in connection with the execution of the Merger Agreement, certain Old Cartesian securityholders, as of immediately prior to the Merger, and certain of our directors and officers as of immediately prior to the Merger entered into lock-up agreements with us, pursuant to which each such stockholder is subject to a lockup on the sale or transfer of shares of our common stock held by each such stockholder, including those shares received by Old Cartesian securityholders in the Merger, for a period of 180 days from the Closing. Upon expiration of this 180-day lockup period, these shares will become eligible for sale in the public market.

On November 13, 2023, we also entered into a Registration Rights Agreement, or the RRA, with holders of common stock and Series A Preferred Stock signatory thereto. Pursuant to the RRA, we are obligated to prepare and file a resale registration statement with the SEC by the Filing Deadline (as defined therein). We agreed to use our reasonable best efforts to cause this registration statement to be declared effective by the SEC within 45 calendar days of the Filing Deadline (or within 90 calendar days of the Filing Deadline if the SEC reviews the registration statement). Once such registration statement is declared effective, the shares to which the registration statement relates will no longer constitute restricted securities and may be sold freely in the public markets, subject to lapse on any related contractual restrictions related thereto of any holder party thereto, and subject to any restrictions that may be applicable to any control securities.

If our stockholders sell, indicate an intention to sell, or it is perceived that they will sell substantial amounts of our common stock in the public market after legal restrictions on resale lapse, the trading price of our common stock could decline. In addition, shares of our common stock that are subject to our outstanding options will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements and Rules 144 and 701 under the Securities Act.

Anti-takeover provisions in our charter documents and under Delaware law and the terms of some of our contracts could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our management.

Provisions in our restated certificate of incorporation, as amended, or the Charter, and amended and restated by-laws may delay or prevent an acquisition or a change in management. These provisions include a prohibition on actions by written consent of our stockholders and the ability of our board of directors, or the Board of Directors, to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the DGCL, which prohibits stockholders owning in excess of 15% of our outstanding voting stock from merging or combining with us.

Although we believe these provisions collectively will provide for an opportunity to receive higher bids by requiring potential acquirers to negotiate with our Board of Directors, they would apply even if the offer may be considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove then current management by making it more difficult for stockholders to replace members of the Board of Directors, which is responsible for appointing the members of management.

Furthermore, our Charter specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving claims brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors, officers, employees and agents as it may limit any stockholder's ability to bring a claim in a judicial forum that such stockholder finds favorable for disputes with us or our directors, officers, employees or agents.

In addition, the Certificate of Designation relating to our Series A Preferred Stock may delay or prevent a change in control of our Company. At any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, we may not consummate a Fundamental Transaction (as defined in the Certificate of Designation) or any merger or consolidation of the Company with or into another entity or any stock sale to, or other business combination in which the stockholders of the Company immediately before such transaction do not hold at least a majority of the capital stock of the Company immediately after such transaction, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series A Preferred Stock. This provision of the Certificate of Designation may make it more difficult for us to enter into any of the aforementioned transactions.

We have been in the past and may in the future be subject to stockholder litigation.

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

On February 21, 2024, Paul Wymer, a purported stockholder of our Company, filed an action against us and members of our Board of Directors in the U.S. District Court for the Southern District of New York, titled Wymer v. Cartesian Therapeutics, Inc., et al., No. 24-cv-01288. The complaint alleges that the defendants violated Sections 14(a) and 20(a) of the Exchange Act by failing to disclose purportedly material information to our stockholders in our Preliminary and Definitive Proxy Statements filed on January 31, 2024, and February 14, 2024, respectively, in connection with the solicitation of stockholder approval of a proposal to convert our Series A Preferred Stock into our common stock, subject to certain beneficial ownership limitations, or the Conversion Proposal. The complaint seeks injunctive relief enjoining or rescinding the Merger, issuance of an amended proxy statement, and attorneys' fees and costs. Additional similar lawsuits may be filed. We believe this lawsuit is without merit and intend to vigorously defend against this plaintiff's claims.

On February 7, 2024, Justin Sloan, a purported stockholder of our Company, filed a putative class action on behalf of himself and similarly situated stockholders of the Company against our Company and members of our Board of Directors in the Court of Chancery of the State of Delaware, titled Sloan v. Barabe, et al., No. 2024-0105. The complaint alleges that the individual defendants breached their fiduciary duties by failing to disclose purportedly material information to our Company's stockholders in our Preliminary Proxy Statement filed on January 31, 2024 in connection with the solicitation of stockholder approval of the Conversion Proposal. The complaint seeks a temporary injunction against the stockholder vote on the Conversion Proposal, compensatory damages, pre-and post-judgment interest, and attorneys' fees and costs. At a telephonic hearing on February 28, 2024, the Court denied the Plaintiff's motion to expedite the proceedings, rejecting Plaintiff's argument that the lawsuit raised colorable disclosure claims warranting expedited treatment. Additional similar lawsuits may be filed. We believe this lawsuit is without merit and intend to vigorously defend against this plaintiff's claims.

On August 3, 2020, a stockholder of Selecta filed a stockholder derivative action, purportedly on behalf of Selecta and against certain current and former members of the Company's Board of Directors, as well as one affiliated company owned by a current board member, in the Court of Chancery of the State of Delaware, namely Franchi v. Barabe, et al. The complaint alleges that the individual defendants breached their fiduciary duties and committed corporate waste when they authorized a private placement transaction, announced on December 19, 2019, at a price allegedly below fair value. The complaint further alleges that the four defendant directors who participated in the private placement were unjustly enriched in connection with the transaction. On September 25, 2020, the defendants filed a motion to dismiss the lawsuit. On November 6, 2020, the plaintiff filed an amended complaint, and the defendants filed a second motion to dismiss on January 8, 2021. On December 31, 2020, we received a litigation demand letter from two other putative stockholders relating to the same private placement transaction. On April 12, 2021, the Court of Chancery in the State of Delaware granted a motion to stay the litigation pending a review by a Special Committee appointed by the Company's Board of Directors. While the litigation was stayed, the parties reached an agreement in principle to settle the matter, and on March 18, 2022, they submitted a Stipulation and Agreement of Settlement and other documentation to the Court for its approval of the settlement. On July 21, 2022, the Court held a settlement hearing, at which the settlement was approved. On August 1, 2022, the Court entered an Order and Final Judgment which dismissed the action, and all claims contained therein, with prejudice. We could receive other demands or be subject to other litigation. We intend to vigorously defend against any demands which we believe to be without merit.

There can be no assurance as to the outcome of any stockholder litigation. Unfavorable outcomes in class action litigation could require us to pay extensive damages, which could delay or prevent our ability to develop our product candidates and harm our operations.

Risks Related to the Merger

There is no guarantee that the Merger will increase stockholder value.

In November 2023 we merged with Old Cartesian. We cannot guarantee that implementing the Merger and related transactions will not impair stockholder value or otherwise adversely affect our business. The Merger poses significant integration challenges between our businesses and management teams which could result in management and business disruptions, any of which could harm our results of operation, business prospects, and impair the value of the Merger to our stockholders.

Pursuant to the terms of the Merger Agreement, we are required to recommend that our stockholders approve the conversion of shares of our Series A Preferred Stock into shares of our common stock. We cannot guarantee that our stockholders will approve this matter, and if they fail to do so we may be required to settle such shares in cash and our operations may be materially harmed.

Under the terms of the Merger Agreement, we agreed to call and hold a meeting of our stockholders to obtain the requisite approvals for the conversion of shares of Series A Preferred Stock into shares of our common stock, and, if such approval is not obtained at that meeting, to seek to obtain such approvals at an annual or special stockholders' meeting to be held at least every six months thereafter until such approval is obtained, which would be time-consuming and costly. Additionally, beginning on the date that is 18 months from the date of the Closing, the holders of our then-outstanding shares of Series A Preferred Stock will be entitled to elect to have such shares of Series A Preferred Stock redeemed for cash at a price per share equal to the ten-day trailing average closing trading price of the common stock at such time, as described in our Certificate of Designation relating to the Series A Preferred Stock. If we are forced to cash settle a significant amount of the Series A Preferred Stock, it could materially affect our results of operations.

The failure to successfully integrate the businesses of Selecta and Old Cartesian in the expected timeframe would adversely affect our future results.

Our ability to successfully integrate the operations of Selecta and Old Cartesian will depend, in part, on our ability to realize the anticipated benefits and cost savings from the Merger. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the Merger may not be realized fully, or at all, or may take longer to realize than expected, and the value of our common stock may be adversely affected. In addition, the integration of Selecta's and Old Cartesian's respective businesses will be a time-consuming and expensive process. Proper planning and effective and timely implementation will be critical to avoid any significant disruption to our operations. It is possible that the integration process could result in the loss of key employees, the disruption of our business or the identification of inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers, suppliers, distributors, creditors, lessors, clinical trial investigators or managers or to achieve the anticipated benefits of the Merger. Delays encountered in the integration process could have a material adverse effect on our operating results and financial condition, including the value of its common stock.

We have incurred substantial expenses related to the integration of Old Cartesian.

We have incurred substantial expenses in connection with the Merger and the subsequent integration of Old Cartesian with Selecta. There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including purchasing, accounting and finance, sales, billing, payroll, research and development, marketing and benefits. Both we and Old Cartesian have incurred significant transaction expenses in connection with the drafting and negotiation of the Merger Agreement and significant severance expenses as a result of the Merger. While we and Old Cartesian have assumed that a certain level of expenses will be incurred, there are many factors beyond our control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that have been and will be incurred are, by their nature, difficult to estimate accurately. These integration expenses have resulted in our taking significant charges against earnings following the completion of the Merger, and the amount and timing of such charges are uncertain at present.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

One of the key responsibilities of our Board of Directors is informed oversight of our risk management process, including risks from cybersecurity threats. Our Board of Directors is responsible for monitoring and assessing strategic risk exposure, and our executive officers are responsible for the day-to-day management of the material risks we face. Our Board of Directors administers its cybersecurity risk oversight function directly and through the Audit Committee, which conducts regular risk assessments related to all matters affecting the enterprise, including cybersecurity, and receives periodic reports on the Company's cybersecurity risks and activities.

Our Chief Financial Officer and our Senior Director, Head of IT and Informatics are the Company employees primarily responsible for assessing and managing material risks from cybersecurity threats with assistance from third-party service providers. Our Chief Financial Officer has served as a biotechnology executive for 15 years, whose responsibilities have included direct oversight of his companies' cybersecurity risks. Our Senior Director, Head of IT and Informatics has served as an information technology professional for over ten years and has held senior IT positions at multiple biotechnology companies, where his primary responsibilities included maintaining direct oversight over his companies' cybersecurity risks.

We have established policies and processes for assessing, identifying, and managing material risk from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes. We routinely assess material risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein.

We conduct periodic risk assessments to identify cybersecurity threats, as well as assessments in the event of a material change in our business practices that may affect information systems that are vulnerable to such cybersecurity threats. These risk assessments include identification of reasonably foreseeable internal and external risks, the likelihood and potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks.

Following these risk assessments, we re-design, implement, and maintain reasonable safeguards to minimize identified risks; address any identified gaps in existing safeguards; and regularly monitor the effectiveness of our safeguards. Primary responsibility for assessing, monitoring and managing our cybersecurity risks is delegated to our Senior Director, Head of IT and Informatics, who reports on IT operations, risk mitigation and assessment efforts, and other general cybersecurity matters to our Chief Financial Officer, to manage the risk assessment and mitigation process.

The cybersecurity risk management program includes tools and activities to prevent, detect, and analyze current and emerging cybersecurity threats, and plans and strategies to address threats and incidents. As part of our overall risk management system, we monitor and test our safeguards and train our employees on these safeguards, in collaboration with our internal IT function and management.

We engage consultants or other third parties in connection with our risk assessment processes. These service providers assist us in designing and implementing our cybersecurity policies and procedures, and monitoring and testing our safeguards. We require each third-party service provider to certify that it has the ability to implement and maintain appropriate security measures, consistent with all applicable laws, to implement and maintain reasonable security measures in connection with their work with us, and to promptly report any suspected breach of its security measures that may affect our Company. Our Chief Financial Officer and Senior Director, Head of IT and Informatics provide periodic briefings to the Audit Committee regarding our Company's cybersecurity risks and activities, including any recent cybersecurity incidents and related responses, cybersecurity systems testing, activities of third parties, and related matters. The Audit Committee provides regular updates to the full Board of Directors on such reports.

We have not encountered cybersecurity challenges that have materially impaired our operations or financial standing. For additional information regarding risks from cybersecurity threats, please refer to Item 1A, "Risk Factors," in this Annual Report on Form 10-K.

Item 2. Properties

Our corporate headquarters are currently located at 704 Quince Orchard Road, Gaithersburg, Maryland and consists of 7,909 total square feet of leased office, laboratory, and manufacturing space under a lease that expires in January 2027. Additionally, we lease approximately 32,294 total square feet of office and laboratory space in Watertown, Massachusetts under a lease that expires in May 2028.

In February 2024, we entered into an agreement to lease 19,199 square feet consisting of integrated manufacturing and office space in Frederick, Maryland. The initial term is expected to commence no later than April 1, 2024 and terminate seven full lease years following, which is expected to be May 2031.

We also lease approximately 2,500 square feet of office and laboratory space in Moscow, Russia on a month-to-month basis.

Item 3. Legal Proceedings

On February 7, 2024, Justin Sloan, a purported stockholder of our Company, filed a putative class action on behalf of himself and similarly situated stockholders of our Company against us and members of our Board of Directors in the Court of Chancery of the State of Delaware, titled Sloan v. Barabe, et al., No. 2024-0105. The complaint alleges that the individual defendants breached their fiduciary duties by failing to disclose purportedly material information to our stockholders in our Preliminary Proxy Statement filed on January 31, 2024 in connection with the solicitation of stockholder approval of the Conversion Proposal. The complaint seeks a temporary injunction against the stockholder vote on the Conversion Proposal, compensatory damages, pre- and post-judgment interest, and attorneys' fees and costs. At a telephonic hearing on February 28, 2024, the Court denied the Plaintiff's motion to expedite the proceedings, rejecting Plaintiff's argument that the lawsuit raised colorable disclosure claims warranting expedited treatment. Additional similar lawsuits may be filed. We believe this lawsuit is without merit and intend to vigorously defend against this plaintiff's claims.

On February 21, 2024, Paul Wymer, a purported stockholder of our Company, filed an action against us and members of our Board of Directors in the U.S. District Court for the Southern District of New York, titled Wymer v. Cartesian Therapeutics, Inc., et al., No. 24-cv-01288. The complaint alleges that the defendants violated Sections 14(a) and 20(a) of the Exchange Act by failing to disclose purportedly material information to our stockholders in our Preliminary and Definitive Proxy Statements filed on January 31, 2024, and February 14, 2024, respectively, in connection with the solicitation of stockholder approval of the Conversion Proposal. The complaint seeks injunctive relief enjoining or rescinding the Merger, issuance of an amended proxy statement, and attorneys' fees and costs. Additional similar lawsuits may be filed. We believe this lawsuit is without merit and intend to vigorously defend against this plaintiff's claims.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is publicly traded on The Nasdaq Stock Market under the symbol "RNAC."

Holders

As of March 1, 2024, there were approximately 161,948,618 shares of our common stock outstanding held by approximately 89 holders of record. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees.

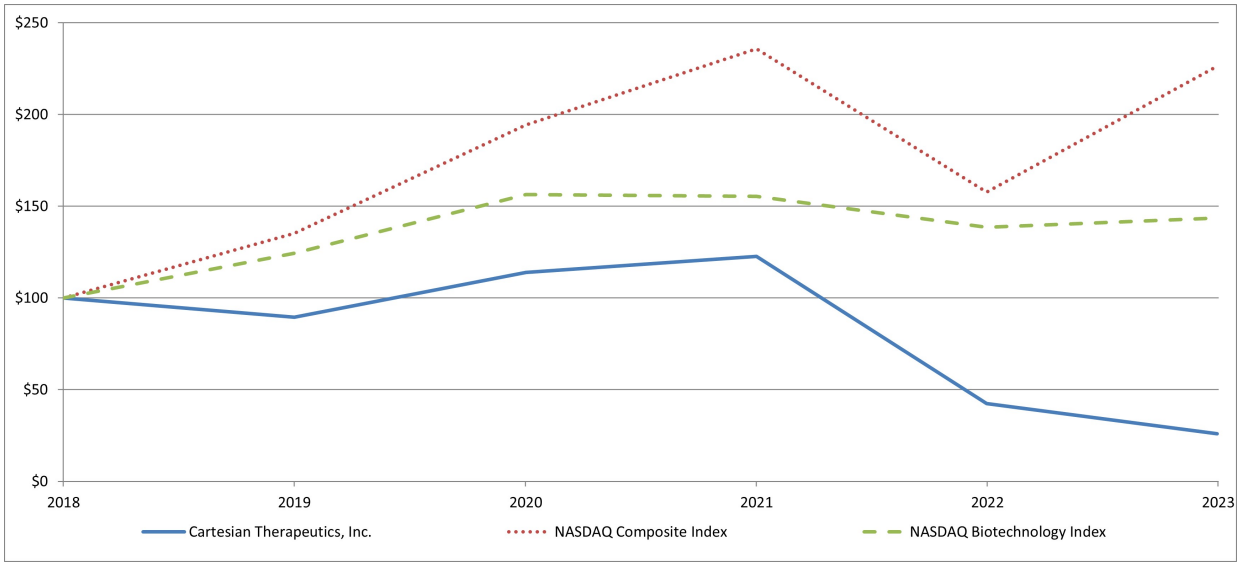
Dividends

We have never declared or paid any cash dividends on our capital stock. We intend to retain future earnings, if any, to finance the operation and expansion of our business and do not expect to pay any cash dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our Board of Directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors the Board of Directors deems relevant, and subject to the restrictions contained in any future financing instruments.

Stock Performance Graph

The graph set forth below compares the cumulative total stockholder return on our common stock between December 31, 2018 and December 31, 2023, with the cumulative total return of (a) the Nasdaq Composite Index and (b) the Nasdaq Biotechnology Index, over the same period. This graph assumes the investment of $100 at the market close on December 31, 2018 in our common stock, the Nasdaq Composite Index and the Nasdaq Biotechnology Index and assumes the reinvestment of dividends, if any. The stock price performance of the following graph is not necessarily indicative of future stock price performance.

Comparison Of Cumulative Total Return Cartesian Therapeutics, Inc.,
Nasdaq Composite Index and Nasdaq Biotechnology Index



This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities or the Exchange Act.

Securities Authorized for Issuance Under Equity Compensation Plans

Information about our equity compensation plans in Item 12 of Part III of this Annual Report is incorporated herein by reference. Any future determination to pay dividends will be made at the discretion of our Board of Directors and will depend

on various factors, including applicable laws, our results of operations, financial condition, future prospects, then applicable contractual restrictions and any other factors deemed relevant by our Board of Directors. Investors should not purchase our common stock with the expectation of receiving cash dividends.

Purchases of Equity Securities by the Issuer or Affiliated Purchasers

We did not repurchase any of our equity securities during the quarter ended December 31, 2023.

Recent Sales of Unregistered Securities and Use of Proceeds from Registered Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Annual Report. This discussion and other parts of this Annual Report contain 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. Important factors that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A. "Risk Factors." A discussion of the year ended December 31, 2022 compared to the year ended December 31, 2021 has been reported previously in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 2, 2023, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Overview

We are a clinical-stage biotechnology company developing mRNA cell therapies for the treatment of autoimmune diseases. We leverage our proprietary technology and manufacturing platform to introduce one or more mRNA molecules into cells to enhance their function. Unlike DNA, mRNA degrades naturally over time without integrating into the cell's genetic material. Therefore, our mRNA cell therapies are distinguished by their capacity to be dosed repeatedly like conventional drugs, administered in an outpatient setting, and given without pre-treatment chemotherapy required with many conventional cell therapies. In an open-label Phase 2 clinical trial in patients with MG, a chronic autoimmune disease that causes disabling muscle weakness and fatigue, we observed that our lead product candidate, Descartes-08, generated a deep and durable clinical benefit.

We are leveraging our proprietary technology and manufacturing platform, RNA Armory®, to develop mRNA cell therapies for autoimmune diseases across three modalities. Our mRNA CAR-T modality is a personalized approach that collects a patient's T-cells and uses mRNA to introduce a CAR into the cell. The CAR redirects the T-cells to target and destroy pathogenic self-reactive cells. Our mRNA MSC modality is an allogeneic approach that introduces one or more mRNAs into donor-sourced MSCs, enabling them to produce proteins that target key pathways involved in autoimmunity. These cells are banked and are designed to be administered off-the-shelf to any patient. Our mRNA *in situ* modality is designed to deliver mRNA into a patient's lymph node to generate CAR-T cells and other proteins that target autoimmunity.

Merger

On November 13, 2023, the Company and Old Cartesian entered into the Merger Agreement. In connection with the Merger and pursuant to the Merger Agreement, the Company changed its corporate name to Cartesian Therapeutics, Inc., with Old Cartesian surviving as a wholly owned subsidiary of the Company, as summarized in Note 3 of the accompanying notes to the consolidated financial statements appearing elsewhere in this Annual Report.

Financial Operations

To date, we have financed our operations primarily through public offerings and private placements of our securities, funding received from research grants, collaboration and license arrangements and a credit facility. We do not have any products approved for sale and have not generated any product sales.

Except for the year ended December 31, 2022, we have incurred significant operating losses since our inception. We incurred a net loss of $219.7 million and had net income of $35.4 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, we had an accumulated deficit of $614.6 million. We expect to continue to incur significant expenses and operating losses for the foreseeable future as we:

- advance Descartes-08 for MG into Phase 3 development;
- continue to develop our preclinical and clinical-stage product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials; and
- maintain, expand and protect our intellectual property portfolio, including through licensing arrangements.

Until we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, and license and collaboration agreements. We may be unable to raise capital when needed or on reasonable terms, if at all, which would force us to delay, limit, reduce or terminate our product development or future commercialization efforts. We will need to generate significant revenues to achieve profitability, and we may never do so.

Concurrently with the closing of the Merger, we entered into a securities purchase agreement in which we agreed to issue 149,330.115 shares of Series A Preferred Stock, in exchange for aggregate gross proceeds of $60.25 million, or the November 2023 Private Placement. We granted customary registration rights to investors in connection with the November 2023 Private Placement.

We believe that our existing cash, cash equivalents, and restricted cash as of December 31, 2023, combined with net proceeds from the November 2023 Private Placement received subsequent to December 31, 2023 will enable us to fund our operating expenses and capital expenditure requirements into mid-2026. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

We intend to seek collaboration partners for the assets in the development programs that we are no longer actively advancing.

The consolidated financial information presented below includes the accounts of Cartesian Therapeutics, Inc. and our wholly owned subsidiaries, Selecta (RUS) LLC, a Russian limited liability company, or Selecta (RUS), and Selecta Biosciences Security Corporation, a Massachusetts securities corporation, and Cartesian Bio, LLC, a Delaware limited liability company, which is a variable interest entity for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated.

Collaboration and license revenue

To date, we have not generated any revenue from product sales. Our revenue consists primarily of collaboration and license revenue, which includes amounts recognized related to upfront and milestone payments for research and development funding under collaboration and license agreements. We expect that any revenue we generate will fluctuate from quarter to quarter because of the timing and amounts of fees, research and development reimbursements and other payments from collaborators. We do not expect to generate revenue from product sales for at least the next several years. If we or our collaborators fail to complete the development of our product candidates in a timely manner or fail to obtain regulatory approval as needed, our ability to generate future revenue will be harmed, and will affect the results of our operations and financial position. For further description of the agreements underlying our collaboration and license revenue, see Notes 2 and 14 to our consolidated financial statements included elsewhere in this Annual Report.

Research and development

Our research and development expenses consist of external research and development costs, which we track on a program-by-program basis and primarily include contract manufacturing organization related costs and fees paid to contract research organizations, and internal research and development costs, which are primarily compensation expenses for our research and development employees, lab supplies, analytical testing, allocated overhead costs and other related expenses. Our internal research and development costs are often devoted to expanding our programs and are not necessarily allocable to a specific target.

We expense research and development costs as incurred. Conducting a significant amount of research and development is central to our business model. Product candidates in clinical development generally have higher development costs than those in earlier stages of development, primarily due to the size, duration and cost of clinical trials. The successful development of our clinical and preclinical product candidates is highly uncertain. Clinical development timelines, the probability of success and development costs can differ materially from our expectations. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those which we currently expect will be required for the completion of clinical development of a product candidate, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time to complete any clinical development.

In June 2020, we and Swedish Orphan Biovitrum AB, or Sobi, entered into a License and Development Agreement, which was amended in October 2023, or, as so amended, the Sobi License. Pursuant to the Sobi License, clinical trial costs incurred to complete development of the product candidate SEL-212, including but not limited to costs incurred while conducting and completing the Phase 3 DISSOLVE trials for SEL-212, were reimbursed by Sobi. These costs, when reimbursed, were

recognized as revenue consistent with the revenue recognition methodology disclosed in Note 14 to our consolidated financial statements included elsewhere in this Annual Report. The reimbursable costs exclude any costs of additional development activities required that were related to the ImmTOR platform and were unrelated to SEL-212.

In January 2023, we and Audentes Therapeutics, Inc., or Astellas, entered into a License and Development Agreement, or the Astellas Agreement. Pursuant to the Astellas Agreement, Astellas agreed to reimburse us for 25% of all budgeted costs incurred to complete the development of Xork, a bacterial IgG protease licensed from Genovis AB (publ.), or Genovis, for use in Pompe disease with an Astellas gene therapy investigational or authorized product. These costs, when reimbursed, will be recognized as revenue consistent with the revenue recognition methodology disclosed in Note 14 to our consolidated financial statements included elsewhere in this Annual Report.

General and administrative

General and administrative expenses consist primarily of salaries and related benefits, including stock-based compensation, related to our executive, finance, business development and support functions. Other general and administrative expenses include facility-related costs not otherwise allocated to research and development expenses, travel expenses for our general and administrative personnel and professional fees for auditing, tax and corporate legal services, including intellectual property-related legal services.

Investment income

Investment income consists primarily of interest income earned on our cash, cash equivalents and marketable securities.

Interest expense

Interest expense consists of interest expense on amounts borrowed under our credit facilities and loss on extinguishment of debt.

Other income, net

Other income, net consists primarily of sublease income.

Change in fair value of warrant liabilities

Common warrants classified as liabilities are remeasured quarterly at fair value, utilizing a Black-Scholes valuation methodology, with the change in fair value recognized as a component of earnings.

Change in fair value of contingent value right liability

The CVR liability is remeasured quarterly at fair value, utilizing a discounted cash flow valuation methodology, with the change in fair value recognized as a component of earnings.

Change in fair value of Series A Preferred Stock forward contract liabilities

The forward contract liability associated with the delayed issuance of the Series A Preferred Stock related to the Merger and November 2023 Private Placement is remeasured quarterly at fair value, utilizing the market price of our common stock, with the change in fair value recognized as a component of earnings.

Foreign currency transaction gain (loss)

The functional currency of Selecta (RUS) is the Russian ruble. In addition to holding cash denominated in Russian rubles, our Russian bank accounts also hold cash balances denominated in U.S. dollars to facilitate payments to be settled in U.S. dollars or other currencies. As of each of December 31, 2023 and 2022, we maintained cash of $0.2 million in Russian bank accounts in denominations of both Russian rubles and U.S. dollars. The amounts denominated in U.S. dollars and used in transacting the day-to-day operations of our Russian subsidiary are subject to transaction gains and losses, which are reported as incurred.

Results of Operations

Comparison of the Years Ended December 31, 2023 and 2022

Collaboration and license revenue

During the year ended December 31, 2023, we recognized $26.0 million of collaboration and license revenue, compared to $110.8 million for the year ended December 31, 2022, a decrease of $84.8 million, or 77%. The decrease was primarily due to a

decrease of revenue recognized under the Sobi License resulting from both the shipment of clinical supply and the reimbursement of costs incurred for the Phase 3 DISSOLVE clinical program partially offset by an increase for revenue recognized under the Astellas Agreement.

Research and development expenses

For the year ended December 31, 2023, our research and development expenses were $71.8 million, compared to $72.4 million for the year ended December 31, 2022, a decrease of $0.6 million, or 1%. The decrease in cost was primarily the result of reductions in expenses incurred for preclinical and clinical programs due to the strategic reprioritization partially offset by expenses incurred for stock compensation and personnel expenses.

General and administrative expenses

During the year ended December 31, 2023, our general and administrative expenses were $40.6 million, compared to $23.9 million for the year ended December 31, 2022, an increase of $16.7 million, or 70%. The increase in costs was primarily the result of expenses incurred for stock compensation, personnel expenses, and professional fees incurred in connection with the Merger.

Investment income

Investment income for the year ended December 31, 2023 was $5.0 million, compared to $2.1 million for the year ended December 31, 2022, an increase of $2.9 million, or 138%. The increase in investment income was due to increased investment balances and higher interest rates.

Foreign currency transaction gain (loss)

We recognized de minimis foreign currency translation adjustments during each of the years ended December 31, 2023 and 2022.

Interest expense

Interest expense for the year ended December 31, 2023 was $2.8 million compared to $3.0 million for the year ended December 31, 2022, a decrease of $0.2 million, or 7%. Interest expense for the year ended December 31, 2023 comprised interest expense and amortization of the carrying costs of our credit facilities and loss on extinguishment of debt.

Change in fair value of warrant liabilities

For the year ended December 31, 2023, we recognized $12.7 million of income from the decrease in the fair value of warrant liabilities, compared to $20.9 million for the year ended December 31, 2022, a decrease of $8.2 million or 39.2%. Fair value of warrant liabilities was determined utilizing the Black-Scholes valuation methodology. The decrease in warrant value was primarily driven by a decrease in the per-share price of our common stock.

Change in fair value of contingent value right liability

For the year ended December 31, 2023 we recognized $18.3 million of expense associated with the increase in the fair value of CVR liability. The fair value of the CVR liability was determined utilizing a discounted cash flow valuation methodology. The increase in CVR value was primarily driven by the decrease in interest rates from the Merger to December 31, 2023 and the corresponding impact on the discount rate used in our discounted cash flow valuation. There was no CVR liability prior to the Merger and as such no CVR liability is reflected in our consolidated financial statements as of or for any period prior to the year ended December 31, 2023.

Change in fair value of Series A Preferred Stock forward contract liabilities

For the year ended December 31, 2023 we recognized $149.6 million of expense associated with the increase in the fair value of Series A Preferred Stock forward contract liabilities. The increase in Series A Preferred Stock value was primarily driven by an increase in the per-share price of our common stock since the date of the Merger and November 2023 Private Placement. A portion of the Series A Preferred Stock forward contract liability was settled during the year ended December 31, 2023 and there was no such forward contract liability prior to the Merger. There was no Series A Preferred Stock forward contract liability prior to the Merger and as such no Series A Preferred Stock forward contract liability is reflected in our consolidated financial statements as of or for any period prior to the year ended December 31, 2023.

Other income, net

During the year ended December 31, 2023, we recognized other income, net of $0.7 million, compared to $0.3 million for the year ended December 31, 2022, an increase of $0.4 million, or 133%. The increase was primarily driven by sublease income.

Income taxes

During the year ended December 31, 2023, we recognized a current tax benefit of $19.0 million relating to the benefit of legacy Selecta tax attributes that reduced deferred tax liabilities during the year. For the year ended December 31, 2022, we recognized a $0.6 million benefit for penalty abatements received.

Net (loss) income

Net loss for the year ended December 31, 2023 was $219.7 million as compared to net income of $35.4 million for the year ended December 31, 2022, a decrease of $255.1 million, or 721%. The change was primarily due to decreased collaboration and license revenue and expenses associated with the change in fair value of the CVR liability and Series A Preferred Stock forward contract liability, and increased general and administrative expenses, partially offset by an increase in income tax benefit.

Liquidity and Capital Resources

Except for net income of $35.4 million for the year ended December 31, 2022, we have incurred recurring net losses since our inception. We expect that we will continue to incur losses and that such losses will increase for the foreseeable future. We expect that our research and development and general and administrative expenses will continue to increase and, as a result, we will need additional capital to fund our operations, which we may raise through a combination of equity offerings, debt financings, third-party funding, potential royalty and/or milestone monetization transactions and other collaborations and strategic alliances.

On a pro forma basis, giving effect to the receipt of $40.0 million of net proceeds from our November 2023 Private Placement received subsequent to December 31, 2023, our cash, cash equivalents, and restricted cash were $118.3 million as of December 31, 2023, of which $1.4 million was restricted cash related to lease commitments and $0.2 million was held by our Russian subsidiary designated solely for use in its operations.

In addition to our existing cash equivalents, we from time to time have received and may receive in the future research and development funding pursuant to our collaboration and license agreements. Currently, funding from payments under our collaboration agreements represent our only source of committed external funds.

Liability associated with the contingent value rights agreement, or CVR Agreement, entered into on December 6, 2023, will be settled solely through cash flow received under the Sobi License and any other Gross Proceeds (as such term is defined in the CVR Agreement) net of certain agreed deductions. Under the CVR Agreement, 100% of all milestone payments, royalties, and other amounts paid to us or our controlled entities under the Sobi License, and any other Gross Proceeds, in each case net of certain agreed deductions, will be distributed to holders of the CVRs. There is no contractual obligation for us to fund any amount related to the CVR liability.

Collaboration and License Agreements

In-licenses

In September 2023, we entered into the Biogen Agreement, a non-exclusive, sublicensable, worldwide, perpetual patent license agreement with Biogen, to research, develop, make, use, offer, sell and import products or processes containing or using an engineering T-cell modified with an mRNA comprising, or encoding a protein comprising, certain sequences licensed under the Biogen Agreement for the prevention, treatment, palliation and management of autoimmune diseases and disorders, excluding cancers, neoplastic disorders, and paraneoplastic disorders. We are not obligated to pay Biogen any expenses, fees, or royalties. For further description of the Biogen Agreement, see Note 16 to our consolidated financial statements included elsewhere in this Annual Report.

Effective September 2019, we entered into the NCI Agreement, a nonexclusive, worldwide license agreement with NCI. Under the NCI Agreement, we were granted a license under certain NCI patents and patent applications designated in the agreement, to make, use, sell, offer and import products and processes within the scope of the patents and applications licensed under the NCI Agreement when developing and manufacturing anti-BCMA CAR-T cell products for the treatment of MG, pemphigus vulgaris, and immune thrombocytopenic purpura according to methods designated in the NCI Agreement. In connection with our entry into the NCI Agreement, we paid to NCI a one-time $0.1 million license royalty payment. Under the NCI Agreement, we are further required to pay NCI a low five-digit annual royalty. We must also pay earned royalties on net sales in a low single-digit percentage and pay up to $0.8 million in benchmark royalties upon our achievement of designated benchmarks that are based on the commercial development plan agreed between the parties. For further description of the NCI Agreement, see Note 16 to our consolidated financial statements included elsewhere in this Annual Report.

In October 2021, we and Ginkgo Bioworks Holdings, Inc., or Ginkgo, entered into a Collaboration and License Agreement, or the First Ginkgo Agreement, and paid Ginkgo a $0.5 million one-time upfront payment. In June 2022, we paid $0.5 million and issued 892,857 shares of our common stock then-valued at $1.0 million to Ginkgo for the achievement of certain preclinical milestones under the First Ginkgo Agreement. In January 2022, we entered into a Collaboration and License Agreement, or the Second Ginkgo Agreement, and paid Ginkgo a $1.5 million one-time upfront payment. In July 2023, we paid $1.0 million and issued 1,339,285 shares of our common stock then-valued at $1.5 million to Ginkgo for the achievement of certain preclinical milestones under the Second Ginkgo Agreement. For further description of the First Ginkgo Agreement and the Second Ginkgo Agreement, see Note 16 to our consolidated financial statements included elsewhere in this Annual Report.

Additionally, in October 2021, we entered into an Exclusive License Agreement with Genovis, or the Genovis Agreement, and paid Genovis a $4.0 million one-time upfront payment. In February 2023, as a result of the sublicense of Xork to Astellas, we made a $4.0 million payment to Genovis. For further description of the Genovis Agreement, see Note 16 to our consolidated financial statements included elsewhere in this Annual Report.

On September 7, 2021, we entered into a Collaboration and License Agreement, or the Cyrus Agreement, with Cyrus Biotechnology, Inc., or Cyrus, and purchased 2,326,934 shares of Cyrus' Series B Preferred Stock, par value $0.0001 per share at a purchase price of $0.8595 per share for an aggregate purchase price of $2.0 million. In October 2023, we notified Cyrus of our termination of the Cyrus Agreement, effective December 29, 2023. For further description of the Cyrus Agreement, see Note 16 to our consolidated financial statements included elsewhere in this Annual Report.

Out-licenses

In January 2023, we entered into the Astellas Agreement with Astellas. Under this agreement, Astellas obtained the sole and exclusive right to commercialize Xork for use in Pompe disease in combination with an Astellas gene therapy investigational or authorized product, with a current focus on AT845. In connection with entry into this agreement, we received a $10 million upfront payment and are eligible to receive $340.0 million for certain additional development and commercial milestones plus royalties on any potential commercial sales where Xork is used as a pre-treatment for AT845. As a result of the sublicense of Xork to Astellas, we made a $4.0 million payment to Genovis in February 2023. For further description of the Astellas Agreement, see Note 14 to our consolidated financial statements included elsewhere in this Annual Report.

On October 1, 2021, we entered into a License Agreement, or the Takeda Agreement, with Takeda Pharmaceuticals USA, Inc. We received a $3.0 million upfront payment and were entitled to receive up to $1.124 billion in future additional payments over the course of the partnership that were contingent on the achievement of development or commercial milestones or Takeda's election to continue its activities at specified development stages. The Takeda Agreement was terminated effective July 25, 2023. For further description of the Takeda Agreement, see Note 14 to our consolidated financial statements included elsewhere in this Annual Report.

In June 2020, we entered into the Sobi License. Sobi paid us a one-time, upfront payment of $75 million, and upon the closing of a private placement of our common stock to Sobi at a price of $4.6156 per share, we received an additional $25 million from Sobi. We are eligible to receive $630 million in milestone payments upon the achievement of various development and regulatory milestones and sales thresholds for annual net sales of SEL-212, and tiered royalty payments ranging from the low double digits on the lowest sales tier to the high teens on the highest sales tier. Sobi has agreed to fund the Phase 3 clinical program of SEL-212, which commenced in September 2020. In July 2022, we received $10.0 million for the completion of the enrollment of the DISSOLVE II trial. Proceeds from milestone payments and royalties on sales of SEL-212, if any, are required to be distributed, net of certain agreed deductions, to holders of the CVRs. For further description of the Sobi License, see Note 14 to our consolidated financial statements included elsewhere in this Annual Report.

Additionally, in June 2020, we and Sarepta Therapeutics, Inc., or Sarepta, entered into a Research License and Option Agreement, or the Sarepta Agreement. Sarepta paid us a $2.0 million upfront payment upon closing and $3.0 million for the achievement of certain pre-clinical milestones in June 2021. In August 2022, we received a payment of $2.0 million in exchange for a nine-month extension to Sarepta's options to both Duchenne muscular dystrophy and certain limb-girdle muscular dystrophies and a payment of $4.0 million for the achievement of certain non-clinical milestones. In March 2023, we were notified by Sarepta that Sarepta would not be exercising its exclusive option under the Sarepta Agreement. The Sarepta Agreement terminated upon the expiration of the option in March 2023. For further description of the Sarepta Agreement, see Note 14 to our consolidated financial statements included elsewhere in this Annual Report.

In December 2019, we and Asklepios BioPharmaceutical, Inc., or AskBio, entered into a license agreement, or the AskBio License Agreement. Pursuant to the AskBio License Agreement, AskBio previously exercised its option to exclusively license intellectual property rights covering ImmTOR to research, develop, and commercialize certain adeno-associated virus, or AAV, gene therapy products utilizing ImmTOR, and targeting the GAA gene, or derivatives thereof, to treat Pompe Disease. We received $7.0 million of upfront fees pursuant to the AskBio License Agreement. In November 2022, the AskBio License Agreement was mutually terminated. For further description of the AskBio License Agreement, see Note 14 to our consolidated financial statements included elsewhere in this Annual Report.

Financings

On August 6, 2020, we entered into a sales agreement, or the 2020 Sales Agreement, with Jefferies LLC, as sales agent, pursuant to which we were permitted, from time to time, to issue and sell common stock with an aggregate value of up to $50.0 million in an "at-the-market" offering. On October 8, 2021, we delivered notice to Jefferies LLC that we were terminating the 2020 Sales Agreement, with effect as of October 19, 2021.

On October 25, 2021, we entered into a Sales Agreement, or the 2021 Sales Agreement, with Leerink Partners LLC, or Leerink Partners (and then known as SVB Leerink LLC), to sell shares of our common stock, from time to time, through an "at the market" equity offering program under which Leerink Partners will act as sales agent. The shares of common stock sold pursuant to the 2021 Sales Agreement, if any, would be issued and sold pursuant to a registration statement filed with the Securities and Exchange Commission, or SEC, for remaining aggregate gross sales proceeds of up to $51.0 million.

During the year ended December 31, 2023, we sold no shares of our common stock pursuant to the 2021 Sales Agreement. During the year ended December 31, 2022, we sold 774,544 shares of our common stock pursuant to the 2021 Sales Agreement for aggregate net proceeds of $2.1 million, after deducting commissions and other transaction costs. During the year ended December 31, 2021, we sold 13,767,511 shares of our common stock pursuant to the 2021 and 2020 Sales Agreements, as applicable, for aggregate net proceeds of $51.9 million, after deducting commissions and other transaction costs.

On April 11, 2022, we sold an aggregate of 27,428,572 shares of our common stock at a purchase price of $1.41 per share and warrants to purchase an aggregate of 20,571,429 shares of common stock at a purchase price of $1.55 per share underlying each common warrant for net proceeds of $36.9 million, after deducting commissions and other transaction costs.

On November 13, 2023, we entered into a securities purchase agreement with (i) Dr. Timothy A. Springer, a member of our Board of Directors; (ii) TAS Partners LLC, an affiliate of Dr. Springer, and (iii) Seven One Eight Three Four Irrevocable Trust, a trust associated with Dr. Murat Kalayoglu, a co-founder and the former chief executive officer of Old Cartesian, who joined our Board of Directors effective immediately after the effective time of the Merger, providing for the November 2023 Private Placement. In the November 2023 Private Placement, we issued and sold an aggregate of 149,330.115 shares of Series A Preferred Stock for an aggregate purchase price of $60.25 million, of which 50,189.789 shares of Series A Preferred Stock were issued and sold in the year ended December 31, 2023 for gross proceeds of $20.25 million, and 99,140.326 shares of Series A Preferred Stock were issued and sold subsequent to December 31, 2023 for gross proceeds of $40.0 million.

Indebtedness

We previously maintained a term loan of up to $35.0 million, of which $25.0 million was funded in August 2020. In September 2023, we entered into a payoff letter with Oxford Finance LLC and Silicon Valley Bank, a division of First-Citizens Bank & Trust Company (successor by purchase to the Federal Deposit Insurance Corporation as Receiver for SVBB (as successor to Silicon Valley Bank)), the lenders under the term loan, pursuant to which we paid all outstanding amounts under such term loan, together with accrued interest and a prepayment penalty, resulting in the full extinguishment of such term loan. The total payoff amount was $22.3 million, consisting of the remaining principal amount due of $19.8 million, the final payment fee of $2.3 million, the prepayment penalty of $0.2 million, and less than $0.1 million of accrued interest.

If in the future we seek debt financing, the terms of such debt could restrict our operating and financial flexibility by imposing liens on our assets and covenants on the operation of our business.

Future funding requirements

As of the date of this Annual Report, we have not generated any revenue from product sales. We do not know when, or if, we will generate revenue from product sales. We will not generate significant revenue from product sales unless and until we obtain regulatory approval and commercialize one of our current or future product candidates. Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, third-party clinical research and development services, laboratory and related supplies, clinical costs, legal and other regulatory expenses, milestone and royalty payments for in-licenses, and general overhead costs. We expect that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved products. We are subject to risks in the development of our products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We expect that we will need substantial additional funding to support our continuing operations.

The Certificate of Designation contains a provision granting each holder of the Series A Preferred Stock the option to require us to redeem any or all of such holder's then-outstanding shares of Series A Preferred Stock beginning on the date that is 18 months following the Closing; provided, however, that no holder will have the right to seek redemption of any shares of Series A Preferred Stock to the extent that such holder would otherwise be unable to convert such shares of Series A Preferred Stock due to the common stock beneficial ownership limitation applicable to such holder. The per-share redemption price would be the average closing trading price of the common stock for the ten preceding trading days ending on, and including, the trading day immediately prior to the date a notice of conversion is delivered to us. We could be required to use a significant

amount of our cash resources on hand to satisfy this redemption obligation, particularly if our stockholders do not ever approve the Conversion Proposal and no shares of Series A Preferred Stock are automatically converted into common stock, or generally if holders of Series A Preferred Stock exercise their redemption right with respect to a significant number of shares of Series A Preferred Stock or at a time when the trading price of our common stock is elevated. Further, in the event that we do not have sufficient cash on hand to satisfy our redemption obligations, we may need to raise additional capital to satisfy these potential obligations. Any redemption payments could materially limit the amount of cash we have available to fund our operations and the potential need to redeem shares of Series A Preferred Stock may limit the flexibility with which we seek to operate our business.

As of December 31, 2023, we had an accumulated deficit of $614.6 million. We anticipate operating losses to continue for the foreseeable future due to, among other things, costs related to research, development of our product candidates, conducting preclinical studies and clinical trials, and our administrative organization. We will require substantial additional financing to fund our operations and to continue to execute our strategy, and we will pursue a range of options to secure additional capital.

We regularly evaluate various potential sources of additional funding such as strategic collaborations, license agreements, debt issuance, potential royalty and/or milestone monetization transactions and the issuance of equity instruments to fund our operations. If we raise additional funds through strategic collaborations and alliances, which may include existing collaboration partners, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms that are not favorable to us. To the extent that we raise additional capital through the sale of equity instruments, the ownership interest of our existing stockholders will be diluted, and other preferences may be necessary that adversely affect the rights of existing stockholders.

We believe that our existing cash, cash equivalents, and restricted cash as of December 31, 2023 combined with net proceeds from the November 2023 Private Placement received subsequent to December 31, 2023 will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. We may pursue additional cash resources through public or private equity or debt financings, by establishing collaborations with other companies or through the monetization of potential royalty and/or milestone payments pursuant to our existing collaboration and license arrangements. Management's expectations with respect to our ability to fund current and long-term planned operations are based on estimates that are subject to risks and uncertainties. If actual results are different from management's estimates, we may need to seek additional strategic or financing opportunities sooner than would otherwise be expected. However, there is no guarantee that any of these strategic or financing opportunities will be executed on favorable terms, and some could be dilutive to existing stockholders. If we are unable to obtain additional funding on a timely basis, we may be forced to significantly curtail, delay, or discontinue one or more of our planned research or development programs or be unable to expand our operations, meet long-term obligations or otherwise capitalize on our commercialization of our product candidates.

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

- the timing for stockholder approval of the conversion of our Series A Preferred Stock into shares of our common stock and any redemptions of Series A Preferred Stock for cash;
- the scope, progress, results and costs of our clinical trials, preclinical development, manufacturing, laboratory testing and logistics;
- the number of product candidates that we pursue and the speed with which we pursue development;
- our headcount growth and associated costs;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, from commercial sales of our product candidates for which we receive marketing approval;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products and technologies, including entering into licensing or collaboration arrangements for product candidates.

Summary of Cash Flows

(In thousands)	Year Ended December 31, 2023	2022	2021
Cash (used in) and provided by:			
Operating activities	$ (51,161)	$ (31,631)	$ (60,382)
Investing activities	34,609	(15,002)	(17,140)
Financing activities	(13,145)	39,215	52,897
Effect of exchange rate changes on cash	(53)	20	(3)
Net change in cash, cash equivalents, and restricted cash	$ (29,750)	$ (7,398)	$ (24,628)

Operating activities

Net cash used in operating activities for the year ended December 31, 2023 was $51.2 million compared to $31.6 million in the same period in 2022. The increase in net cash used in operating activities of $19.6 million was primarily due to $56.2 million of net loss, adjusted for non-cash items, and $5.0 million of cash provided by changes in operating assets and liabilities, in each case during the year ended December 31, 2023.

Investing activities

Net cash provided by investing activities for the year ended December 31, 2023 was $34.6 million compared to net cash used in investing activities of $15.0 million in the same period in 2022, an increase of $49.6 million. The net cash provided by investing activities for the year ended December 31, 2023 was primarily proceeds from the maturities of marketable securities and cash assumed in the Merger offset by purchases of property and equipment. The net cash used in investing activities for the year ended December 31, 2022 was to purchase marketable securities and property and equipment, offset by proceeds from the maturities of marketable securities.

Financing activities

Net cash used in financing activities for the year ended December 31, 2023 was $13.1 million compared to net cash provided by financing activities of $39.2 million in the same period in 2022, a decrease of $52.3 million. The net cash used in financing activities for the year ended December 31, 2023 was primarily the result of repayments of principal on outstanding debt and settlement of equity awards in the Merger partially offset by proceeds from the November 2023 Private Placement. The net cash provided by financing activities for the year ended December 31, 2022 was primarily the result of net proceeds from issuance of common stock and warrants to purchase common stock and the issuance of common stock in the "at-the-market" offering contemplated by the 2021 Sales Agreement.

Recent Accounting Pronouncements

For a discussion of recently adopted or issued accounting pronouncements please see Note 2 to our consolidated financial statements included elsewhere in this Annual Report.

Off-Balance Sheet Arrangements

As of December 31, 2023, we did not have any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Use of Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities in our consolidated financial statements. Actual results may differ from these estimates under different assumptions or conditions and could have a material impact on our reported results. While our significant accounting policies are more fully described in the notes to our consolidated financial statements included elsewhere in this Annual Report, we believe the following accounting policies to be the most critical in understanding the judgments and estimates we use in preparing our consolidated financial statements:

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. Pursuant to ASC Topic 606, *Revenue from Contracts with Customers (ASC 606)*, a customer is a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, we perform the following five steps: (i) identify the

contract(s) with a customer; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy each performance obligation. We only apply the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations, and assess whether each promised good or service is distinct. If a promised good or service is not distinct, it is combined with other promised goods or services into a performance obligation. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. For example, certain performance obligations associated with the Astellas Agreement, (see Note 14) will be satisfied over time, and revenue will be recognized utilizing the input method.

Collaboration and License Revenue: We currently generate revenue through collaboration and license agreements with strategic collaborators for the development and commercialization of product candidates. Collaboration and license agreements with customers are generally accounted for in accordance with ASC 606. We analyze collaboration arrangements by first assessing whether they are within the scope of ASC Topic 808, *Collaborative Arrangements (ASC 808*), and evaluate whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards that are dependent on the commercial success of such activities. Collaboration agreements with customers that are not within the scope of ASC 808 are accounted for in accordance with ASC 606. To the extent the collaboration agreement is within the scope of ASC 808, we also assess whether any aspects of the agreement are within the scope of other accounting literature (specifically ASC 606). If we conclude that some or all aspects of the agreement are distinct and represent a transaction with a customer, we account for those aspects of the arrangement within the scope of ASC 606. We recognize the shared costs incurred that are not within the scope of other accounting literature as a component of the related expense in the period incurred by analogy to ASC Topic 730, *Research and Development (ASC 730)*, and record reimbursements from counterparties as an offset to the related research and development costs. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under the agreements in accordance with ASC 606, we perform the five steps above. As part of the accounting for the arrangement, we must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. We use key assumptions to determine the stand-alone selling price, which may include market conditions, reimbursement rates for personnel costs, development timelines and probabilities of regulatory success. The assumptions used to determine the stand-alone selling price and our satisfaction of performance obligations have a material effect on our collaboration and license revenue and may prove to be wrong.

The terms of our arrangements typically include one or more of the following: (i) upfront fees; (ii) milestone payments related to the achievement of development, regulatory, or commercial goals; (iii) royalties on net sales of licensed products; (iv) reimbursements or cost-sharing of research and development expenses; and (v) profit/loss sharing arising from co-promotion arrangements.

Licenses of Intellectual Property: If the license to our intellectual property is determined to be distinct from the other promised goods and services identified in the arrangement, we recognize revenues from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. If not distinct, the license is combined with other promised goods and services in the contract. For licenses that are combined with other promised goods and services, we assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. We evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition. Optional licenses are evaluated to determine if they are issued at a discount, and therefore, represent material rights and should be accounted for as separate performance obligations.

Milestone Payments: At the inception of each arrangement that includes developmental and regulatory milestone payments, we evaluate whether the achievement of each milestone specifically relates to our efforts to satisfy a performance obligation or transfer a distinct good or service within a performance obligation. If the achievement of a milestone is considered a direct result of our efforts to satisfy a performance obligation or transfer a distinct good or service and the receipt of the payment is based upon the achievement of the milestone, the associated milestone value is allocated to that distinct good or service. If the milestone payment is not specifically related to our efforts to satisfy a performance obligation or transfer a distinct good or service, the amount is allocated to all performance obligations using the relative standalone selling price method. We also evaluate the milestone to determine whether they are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price to be allocated, otherwise, such amounts are constrained and excluded from the transaction price. At the end of each subsequent reporting period, we re-evaluate the probability of achievement of such development milestones and any related constraint, and if necessary, adjust our estimate of the transaction price. Any such adjustments to the transaction price are allocated to the performance obligations on the same

basis as at contract inception. Amounts allocated to a satisfied performance obligation shall be recognized as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

Manufacturing Supply Services: Arrangements that include a promise for future supply of drug substance or drug product for either clinical development or commercial supply at the customer's discretion are evaluated to determine if they are distinct and optional. For optional services that are distinct, we assess if they are priced at a discount, and therefore, provide a material right to the licensee to be accounted for as separate performance obligations.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied) in accordance with the royalty recognition constraint.

Clinical Trial Costs

Clinical trial expenses are a significant component of research and development expenses, and we outsource a significant portion of these costs to third parties. Third party clinical trial expenses include patient costs, clinical research organization costs and costs for data management. The accrual for site and patient costs includes inputs such as estimates of patient enrollment, patient cycles incurred, clinical site activations, and other pass-through costs. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected on the consolidated balance sheets as a prepaid asset or accrued clinical trial cost. These third party agreements are generally cancellable, and related costs are recorded as research and development expenses as incurred. Non-refundable advance clinical payments for goods or services that will be used or rendered for future research and development activities are recorded as a prepaid asset and recognized as expense as the related goods are delivered or the related services are performed. We also record accruals for estimated ongoing clinical research and development costs. When evaluating the adequacy of the accrued liabilities, we analyze progress of the studies, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the estimates made by us materially affecting our results of operations. The historical clinical accrual estimates made by us have not been materially different from the actual costs.

Warrant Liabilities

In December 2019, we issued common warrants in connection with a securities purchase agreement between us and a group of institutional investors and certain members of our Board of Directors, or the 2019 Warrants. Pursuant to the terms of the 2019 Warrants, we could be required to settle the common warrants in cash in the event of certain acquisitions of us and, as a result, the 2019 Warrants are required to be measured at fair value and reported as a liability on the balance sheet.

In April 2022, we issued warrants in connection with an underwritten offering of shares of common stock and warrants to purchase shares of common stock, or the 2022 Warrants. Pursuant to the terms of the 2022 Warrants, we could be required to settle the 2022 Warrants in cash in the event we are acquired under certain circumstances and, as a result, the 2022 Warrants are required to be measured at fair value and reported as a liability on the balance sheet.

We recorded the fair value of the 2019 Warrants and 2022 Warrants upon issuance using the Black-Scholes valuation model, and are required to revalue the common warrants at each reporting date with any changes in fair value recorded on our statement of operations. In December 2022, we amended the terms of the outstanding 2019 Warrants held by certain members of our Board of Directors to remove the cash settlement provision (as so amended, the Amended 2019 Warrants). As a result, the Amended 2019 Warrants were remeasured at fair value on December 20, 2022 and reclassified from a liability to equity on the balance sheet.

Inputs used to determine estimated fair value of the common warrant liabilities include the estimated fair value of the underlying stock at the valuation date, the estimated term of the warrants, risk-free interest rates, expected dividends and the expected volatility of the underlying stock. The estimates used to determine the fair value of these common warrants represent our best estimates, but may prove to be wrong. Therefore, the change in fair value of warrant liabilities could be materially different in the future.

Contingent Value Right Liability

The CVRs distributed pursuant to the terms of the CVR Agreement represent financial instruments that are accounted for under the fair value option election in ASC 825, Financial Instruments, or ASC 825. Under the fair value option election, the CVRs are initially measured at the aggregate estimated fair value of the CVRs and will be subsequently remeasured at estimated fair value on a recurring basis at each reporting period date. The estimated fair value of the CVR liability was determined using the discounted cash flow method to estimate future cash flows associated with the legacy assets, including the expected milestone and royalty payments under the Sobi License, net of deductions. Changes in fair value of the liability are presented within change in fair value of CVRs in the consolidated statements of operations and comprehensive income (loss). The liability value is based on significant inputs not observable in the market such as estimated cash flows, estimated

probabilities of success, and risk-adjustment discount rates, which represent a Level 3 measurement within the fair value hierarchy.

Stock-Based Compensation

We account for all stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation is measured at the grant date fair value and is recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of estimated forfeitures. To the extent that actual forfeitures differ from our estimates, the differences are recorded as a cumulative adjustment in the period the estimates were adjusted. Stock-based compensation expense recognized in the consolidated financial statements is based on awards that ultimately vest.

The assumptions used in determining the fair value of stock-based awards represent our best estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates, our stock-based compensation expense could be materially different in the future.

Smaller Reporting Company

We qualify as a "smaller reporting company" under the rules of the Securities Act and the Exchange Act. As a result, we may choose to take advantage of certain scaled disclosure requirements available specifically to smaller reporting companies. We will remain a smaller reporting company until the last day of the fiscal year in which the aggregate market value of our common stock held by non-affiliated persons and entities, or our public float, is more than $700 million as of the last business day of our most recently completed second fiscal quarter, or until the fiscal year following the year in which we have at least $100 million in revenue and at least $250 million in public float as of the last business day of our most recently completed second fiscal quarter.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The market risk inherent in our financial instruments and in our financial position represents the potential loss arising from adverse changes in interest rates. As of December 31, 2023 and 2022, we had cash, cash equivalents, restricted cash and marketable securities of $78.3 million and $136.2 million, respectively, consisting of non-interest and interest-bearing money market accounts, U.S. government agency securities and treasuries, corporate bonds and commercial paper. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term and the low risk profile of our money market accounts, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements together with the report of our independent registered public company accounting firm, required to be filed pursuant to this Item 8 are appended to this Annual Report. An index of those consolidated financial statements is found in Item 15.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of December 31, 2023 because of the material weakness in internal control over financial reporting discussed below.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Old Cartesian, which is included in our consolidated financial statements as of and for the year ended December 31, 2023 and constituted 2% and 1% of total assets and total liabilities, respectively, as of December 31, 2023 and 0% and 1% of revenues and operating expenses, respectively, for the year then ended.

Based on this assessment, our management concluded that, as of December 31, 2023, our internal control over financial reporting was not effective.

As a result of its review, management identified a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that a reasonable possibility exists that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis. There are no material accounting errors or omissions within the consolidated financial statements as a result of this material weakness. Management concluded that it did not design and implement effective internal controls specifically related to the documentation of the assumptions supporting the valuation of the in-process intangible assets in connection with the Old Cartesian material business combination and the initial and ongoing contingent value right obligation issued at the time to legacy Selecta stockholders. This includes a lack of sufficient documentation to provide evidence of the associated management review controls.

Remediation Plans for Material Weakness in Internal Control over Financial Reporting

We are committed to maintaining a strong internal control environment. In response to the identified material weakness above, we, with the oversight of the Audit Committee, intend to take comprehensive actions to remediate the material weakness in internal control over financial reporting. We expect to re-evaluate the scope and level of precision for conducting and documenting the reviews over significant acquisitions and contingent value rights including the review of prospective financial information used in valuation reports produced by third-party specialists supporting the accounting for business combinations and contingent value rights. The remediation efforts are intended both to address the identified material weakness and to enhance our overall financial control environment.

Inherent Limitations of Internal Controls

While we believe we have a robust and efficient system of internal and disclosure controls and procedures, our management, including our Chief Executive Officer and Chief Financial Officer, recognize that it is impossible for our disclosure controls and procedures or our internal controls to prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a 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 management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

Except for our identification and assessment of the material weakness described above, 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 three months ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report of the Registered Public Accounting Firm

Ernst & Young LLP has independently assessed the effectiveness of our internal control over financial reporting as of December 31, 2023 and its report is included below.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Cartesian Therapeutics, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Cartesian Therapeutics, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, because of the effect of the material weakness described below on the achievement of the objectives of the control criteria, Cartesian Therapeutics, Inc. (and subsidiaries) (the Company) has not maintained effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

As indicated in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Cartesian Bio, LLC, formerly known as Cartesian Therapeutics, Inc. (Old Cartesian), which is included in the 2023 consolidated financial statements of the Company and constituted 2% and 1% of total assets and total liabilities, respectively, as of December 31, 2023 and 0% and 1% of revenues and operating expenses, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Old Cartesian.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a material weakness in the design and operation of controls related to the valuation of the in-process intangible assets acquired as part of the Old Cartesian business combination and the Selecta Biosciences, Inc. contingent value right obligation.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income (loss), changes in convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated March 7, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Boston, Massachusetts

March 7, 2024

Item 9B. Other Information

During the fiscal quarter ended December 31, 2023, none of our officers or directors, as defined in Rule 16a-1(f), informed us of the adoption, modification or termination of any "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K .

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Incorporated by reference from the information in our Proxy Statement for our 2024 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 11. Executive Compensation

Incorporated by reference from the information in our Proxy Statement for our 2024 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Incorporated by reference from the information in our Proxy Statement for our 2024 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Incorporated by reference from the information in our Proxy Statement for our 2024 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 14. Principal Accountant Fees and Services

Incorporated by reference from the information in our Proxy Statement for our 2024 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

See the "Index to Consolidated Financial Statements" on page F-1 below for the list of financial statements filed as part of this report.

(a)(2) Financial Statement Schedules

All financial schedules have been omitted because the required information is either presented in the consolidated financial statements filed as part of this Annual Report on Form 10-K or the notes thereto or is not required.

(a)(3) Exhibits

The following is a list of exhibits filed as part of this Annual Report on Form 10-K.

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1*	Agreement and Plan of Merger, dated November 13, 2023, by and among Selecta Biosciences, Inc., Sakura Merger Sub I, Inc., Sakura Merger Sub II, LLC, and Cartesian Therapeutics, Inc.	8-K	001-37798	2.1	11/13/2023
3.1(a)	Restated Certificate of Incorporation of Selecta Biosciences, Inc.	8-K	001-37798	3.1	6/29/2016
3.1(b)	Certificate of Amendment to the Restated Certificate of Incorporation of Selecta Biosciences, Inc., dated June 21, 2022	8-K	001-37798	3.1	6/21/2022
3.1(c)	Certificate of Amendment to the Restated Certificate of Incorporation of Selecta Biosciences, Inc., dated November 13, 2023	8-K	001-37798	3.3	11/13/2023
3.2	Amended and Restated By-laws of Cartesian Therapeutics, Inc.	10-Q	001-37798	3.2	11/13/2023
4.1	Specimen Stock Certificate evidencing the shares of common stock	S-1	333-211555	4.2	5/24/2016
4.2	Form of Warrant to Purchase Shares of Series D Preferred Stock, dated August 9, 2013 or July 25, 2014, issued by the Registrant to Oxford Finance LLC and Square One Bank, together with a schedule of warrant holders	S-1	333-211555	4.5	5/24/2016
4.3	Form of Warrant to Purchase Shares of Series E Preferred Stock, dated December 31, 2015, issued by the Registrant to Oxford Finance LLC and Square One Bank, together with a schedule of warrant holders	S-1	333-211555	4.6	5/24/2016
4.4	Common Stock Purchase Warrant, dated June 27, 2017, by and between the Registrant and Timothy Springer, Ph.D.	8-K	001-37798	4.1	6/28/2017
4.5	Registration Rights Agreement, dated December 23, 2019, by and among the Registrant and the Investors named therein	8-K	001-37798	10.2	12/26/2019
4.6	Registration Rights Agreement, dated as of June 11, 2020, by and between the Registrant and Swedish Orphan Biovitrum AB (Publ)	10-Q	001-37798	4.1	8/6/2020
4.7	Registration Rights Agreement, dated as of June 11, 2020, by and between the Registrant and Swedish Orphan Biovitrum AB (Publ), as amended on November 4, 2020	10-Q	001-37798	4.2	11/5/2020
4.8(a)	Form of Common Stock Purchase Warrant, dated December 23, 2019	8-K	001-37798	4.1	12/26/2019
4.8(b)	Form of Amendment No. 1 to Common Stock Purchase Warrant by and between Selecta Biosciences, Inc. and certain Directors, dated December 20, 2022	10-K	001-37798	4.8(b)	3/2/2023
4.9	Form of Warrant to Purchase Stock, dated August 31, 2020, issued by Selecta Biosciences, Inc. to Oxford Finance LLC and Silicon Valley Bank, together with a schedule of warrants.	8-K	001-37798	4.1	9/3/2020

4.10	Form of Common Stock Purchase Warrant, dated April 11, 2022	8-K	001-37798	4.1	4/6/2022
4.11	Form of Contingent Value Rights Agreement	8-K	001-37798	2.1	11/13/2023
4.12	Registration Rights Agreement, by and among Selecta Biosciences, Inc. and certain purchasers party thereto	8-K	001-37798	10.2	11/13/2023
4.13	Certificate of Designation of Preferences, Rights and Limitations of Series A Non-Voting Convertible Preferred Stock	8-K	001-37798	3.4	11/13/2023
4.14	Description of Securities	—	—	—	Filed herewith
10.1#	2016 Incentive Award Plan and form of award agreements thereunder	S-1/A	333-211555	10.2	6/8/2016
10.2#	2016 Employee Stock Purchase Plan	S-1/A	333-211555	10.3	6/8/2016
10.3#	Amended and Restated Cartesian Therapeutics, Inc. 2018 Employment Inducement Incentive Award Plan, and forms of award agreements thereunder	S-8	333-276486	99.2	1/12/2024
10.4#	2008 Stock Incentive Plan and form of award agreements thereunder	S-1/A	333-211555	10.1	6/20/2016
10.5#	Cartesian Therapeutics, Inc. 2016 Stock Incentive Plan, and forms of award agreements thereunder	S-8	333-276486	99.1	1/12/2024
10.6#	Non-Employee Director Compensation Program	—	—	—	Filed herewith
10.7#	Form of Indemnification Agreement for Directors and Officers	S-1	333-211555	10.5	5/24/2016
10.8†	Amended and Restated License Agreement, dated as of May 31, 2017, by and between the Registrant and Shenyang Sunshine Pharmaceutical Co., Ltd.	10-Q	001-37798	10.6	8/11/2017
10.9†	Manufacturing Services Agreement, dated as of August 1, 2014, by and between the Registrant and Shenyang Sunshine Pharmaceutical Co., Ltd.	S-1	333-211555	10.10	5/24/2016
10.10(a)	Lease Agreement by and between BRE-BMR Grove LLC and Selecta Biosciences, Inc. dated July 23, 2019	10-Q	001-37798	10.3	11/8/2019
10.10(b)	First Amendment to Lease by and between BRE-BMR Grove LLC and Selecta Biosciences, Inc. dated September 1, 2022	10-Q	001-37798	10.1	11/3/2022
10.11(a)†	Lease Agreement by and between 704 Quince Orchard Owner, LLC and Cartesian Therapeutics, Inc. dated May 11, 2018	—	—	—	Filed herewith
10.11(b)†	First Amendment to Lease Agreement by and between 704 Quince Orchard Owner, LLC and Cartesian Therapeutics, Inc. dated March 22, 2021	—	—	—	Filed herewith
10.11(c)†	Second Amendment to Lease Agreement by and between 704 Quince Orchard Owner, LLC and Cartesian Therapeutics, Inc. dated May 3, 2021	—	—	—	Filed herewith
10.12†	Lease Agreement by and between 7495 RP, LLC and Cartesian Therapeutics, Inc. dated February 28, 2024	—	—	—	Filed herewith
10.13#	Employment Agreement, dated as of September 25, 2018, by and between the Registrant and Carsten Brunn, Ph.D.	8-K	001-37798	10.2	9/27/2018
10.14#	Employment Agreement, dated as of November 9, 2022, by and between the Registrant and Blaine Davis	10-K	001-37798	10.15	3/2/2023
10.15(a)†	License and Development Agreement, dated as of June 11, 2020, by and between the Registrant and Swedish Orphan Biovitrum AB (Publ)	10-Q	001-37798	10.2	8/6/2020

10.15(b)†	Amendment No. 1 to License and Development Agreement, dated as of October 31, 2023, by and between the Registrant and Swedish Orphan Biovitrum AB (Publ)	—	—	—	Filed herewith
10.16†	Patent License Agreement, between Cartesian Therapeutics, Inc. and the U.S. Department of Health and Human Services, as represented by the National Cancer Institute of the National Institutes of Health, dated September 16, 2019	—	—	—	Filed herewith
10.17†	Patent License Agreement by and between Biogen MA, Inc. and Cartesian Therapeutics, Inc., dated September 8, 2023	—	—	—	Filed herewith
10.18	Securities Purchase Agreement, dated June 26, 2017, by and between the Registrant and Timothy Springer, Ph.D.	8-K	001-37798	10.2	6/28/2017
10.19	Stock Purchase Agreement, dated August 19, 2019, by and among the Registrant and the Investors named therein	8-K	001-37798	10.1	8/20/2019
10.20(a)	Loan and Security Agreement, dated August 31, 2020, between Selecta Biosciences, Inc., Oxford Finance LLC, as Collateral Agent and as a lender, and Silicon Valley Bank, as a lender.	8-K	001-37798	10.1.1	9/3/2020
10.20(b)	First Amendment to Loan and Security Agreement, dated September 7, 2021, by and among Selecta Biosciences, Inc., Oxford Finance LLC, and Silicon Valley Bank	10-Q	001-37798	10.3	11/9/2021
10.20(c)	Second Amendment to Loan and Security Agreement, dated March 21, 2022, between Selecta Biosciences, Inc., Oxford Finance LLC, as Collateral Agent and as a lender, and Silicon Valley Bank, as a lender	8-K	001-37798	10.1	3/21/2022
10.20(d)	Third Amendment to Loan and Security Agreement, dated September 20, 2022, between Selecta Biosciences, Inc., Oxford Finance LLC, as Collateral Agent and as a Lender, and Silicon Valley Bank, as a Lender	10-Q	001-37798	10.2	11/3/2022
10.20(e)	Fourth Amendment to Loan and Security Agreement, dated March 31, 2023, between Selecta Biosciences, Inc., Oxford Finance LLC, as Collateral Agent and as a lender, and Silicon Valley Bank, a division of First-Citizens Bank & Trust Company (successor by purchase to the Federal Deposit Insurance Corporation as Receiver for Silicon Valley Bridge Bank, N.A. (as successor to Silicon Valley Bank)), as a lender	10-Q	001-37798	10.1	5/4/2023
10.21†	License and Development Agreement, dated January 8, 2023, by and between Selecta Biosciences, Inc. and Audentes Therapeutics, Inc.	—	—	—	Filed herewith
10.22#	Form of Retention Bonus Letter	8-K	001-37798	10.3	11/13/2023
10.23	Securities Purchase Agreement, dated as of November 13, 2023, by and among Selecta Biosciences, Inc. and each purchaser identified on Annex A thereto	8-K	001-37798	10.1	11/13/2023
21.1	Subsidiaries of Cartesian Therapeutics, Inc.	—	—	—	Filed herewith
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm	—	—	—	Filed herewith
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.1	Certification 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	—	—	—	Furnished herewith
97	Cartesian Therapeutics, Inc. Compensation Clawback Policy	—	—	—	Filed herewith

101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL Document	—	—	—	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—	—	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	—	—	—	Filed herewith

# Indicates management contract or compensatory plan.

* Certain annexes, schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted attachment to the SEC on a confidential basis upon request.

† Certain confidential information contained in this exhibit, marked by brackets and asterisks, has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because the information (i) is not material and (ii) is the type of information that the Company both customarily and actually treats as private and confidential.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CARTESIAN THERAPEUTICS, INC.

Date: March 7, 2024

By: /s/ Carsten Brunn, Ph.D.
Carsten Brunn, Ph.D.
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Carsten Brunn, Ph.D. Carsten Brunn, Ph.D.	President and Chief Executive Officer, and Director (Principal Executive Officer)	March 7, 2024
/s/ Blaine Davis Blaine Davis	Chief Financial Officer (Principal Financial and Accounting Officer)	March 7, 2024
/s/ Carrie S. Cox Carrie S. Cox	Director	March 7, 2024
/s/ Timothy C. Barabe Timothy C. Barabe	Director	March 7, 2024
/s/ Nishan de Silva, M.D. Nishan de Silva, M.D.	Director	March 7, 2024
/s/ Murat Kalayoglu, M.D., Ph.D. Murat Kalayoglu, M.D., Ph.D.	Director	March 7, 2024
/s/ Michael Singer, M.D., Ph.D. Michael Singer, M.D., Ph.D.	Director	March 7, 2024
/s/ Timothy Springer, Ph.D. Timothy Springer, Ph.D.	Director	March 7, 2024
/s/ Patrick Zenner Patrick Zenner	Director	March 7, 2024

Cartesian Therapeutics, Inc. and Subsidiaries

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Cartesian Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cartesian Therapeutics, Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income (loss), changes in convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 7, 2024 expressed an adverse opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the Audit Committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of in-process research and development acquired in a business combination

Description of the Matter

As described in Note 3, on November 13, 2023, the Company acquired Cartesian Therapeutics, Inc. in a stock for stock transfer, which was accounted for as a business combination using the acquisition method of accounting. The acquired intangible assets consisted of in-process research and development which had estimated acquisition-date fair values of $150.6 million.

Auditing the acquisition date fair value of the in-process research and development was complex due to the significant judgment required in estimating the fair value. In particular, the fair value estimate required the use of valuation methodologies that were sensitive to significant assumptions (e.g., projected revenue growth rates, including forecasted selling prices and unit volumes, and discount rates applied to the in-process research and development), which are affected by expected future market or economic conditions.

How We Addressed the Matter in Our Audit

To test the estimated fair value of the acquired in-process research and development intangible assets, our audit procedures included, among others, assessing the appropriateness of the valuation methodology and testing the significant assumptions discussed above and the completeness and accuracy of the underlying data used by the Company. For example, we evaluated the reasonableness of assumptions used to determine the projected revenue growth rates by comparing the forecasted assumptions to projected industry growth rates, and other factors considered by management in developing the model. We involved our valuation specialist to assist in evaluating the valuation methodologies and discount rates used to value in-process research and development intangible assets. We also performed sensitivity analyses to evaluate the changes in the fair value of the acquired in-process research and development intangible assets that would result from changes in the significant assumptions.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2009.

Boston, Massachusetts

March 7, 2024

Cartesian Therapeutics, Inc. and Subsidiaries
Consolidated Balance Sheets
(Amounts in thousands, except share data and par value)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 76,911	$ 106,438
Marketable securities	—	28,164
Accounts receivable	5,870	6,596
Unbilled receivables	2,981	3,162
Prepaid expenses and other current assets	4,967	3,778
Total current assets	90,729	148,138
Non-current assets:		
Property and equipment, net	2,113	2,794
Right-of-use asset, net	10,068	11,617
In-process research and development assets	150,600	—
Goodwill	48,163	—
Long-term restricted cash	1,377	1,311
Investments	2,000	2,000
Other assets	—	26
Total assets	$ 305,050	$ 165,886
Liabilities, convertible preferred stock, and stockholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 3,150	$ 316
Accrued expenses and other current liabilities	15,572	14,084
Loan payable	—	8,476
Lease liability	2,166	1,608
Deferred revenue	2,311	593
Warrant liabilities	720	—
Contingent value right liability	15,983	—
Forward contract liabilities	28,307	—
Total current liabilities	68,209	25,077
Non-current liabilities:		
Loan payable, net of current portion	—	17,786
Lease liability, net of current portion	8,789	10,055
Deferred revenue, net of current portion	3,538	—
Warrant liabilities, net of current portion	5,674	19,140
Contingent value right liability, net of current portion	342,617	—
Deferred tax liabilities, net	15,853	—
Total liabilities	444,680	72,058
Commitments and contingencies (Note 19)		
Series A Preferred Stock, $0.0001 par value; 548,375 and no shares authorized as of December 31, 2023 and December 31, 2022, respectively; 435,120.513 and no shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	296,851	—
Options for Series A Preferred Stock	3,703	—
Stockholders' (deficit) equity:		
Preferred stock, $0.0001 par value; 9,451,625 and 10,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; no shares issued and outstanding as of December 31, 2023 and December 31, 2022	—	—
Common stock, $0.0001 par value; 350,000,000 shares authorized as of December 31, 2023 and December 31, 2022; 161,927,821 and 153,042,435 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	16	15
Additional paid-in capital	179,047	493,308
Accumulated deficit	(614,647)	(394,937)
Accumulated other comprehensive loss	(4,600)	(4,558)
Total stockholders' (deficit) equity	(440,184)	93,828
Total liabilities, convertible preferred stock, and stockholders' (deficit) equity	$ 305,050	$ 165,886

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

Cartesian Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income (Loss)
(Amounts in thousands, except share and per share data)

	Year Ended December 31,		
	2023	**2022**	**2021**
Collaboration and license revenue	$ 26,004	$ 110,777	$ 85,077
Operating expenses:			
Research and development	71,839	72,377	68,736
General and administrative	40,581	23,862	20,938
Total operating expenses	112,420	96,239	89,674
Operating (loss) income	(86,416)	14,538	(4,597)
Investment income	4,964	2,073	44
Foreign currency transaction gain (loss), net	38	(22)	—
Interest expense	(2,833)	(3,031)	(2,844)
Change in fair value of warrant liabilities	12,746	20,882	(2,339)
Change in fair value of contingent value right liability	(18,300)	—	—
Change in fair value of forward contract liabilities	(149,600)	—	—
Other income, net	691	330	15
(Loss) income before income taxes	(238,710)	34,770	(9,721)
Income tax benefit (expense)	19,000	609	(15,966)
Net (loss) income	$ (219,710)	$ 35,379	$ (25,687)
Other comprehensive (loss) income:			
Foreign currency translation adjustment	(53)	18	(2)
Unrealized gain (loss) on marketable securities	11	(10)	(1)
Total comprehensive (loss) income	$ (219,752)	$ 35,387	$ (25,690)
Net (loss) income per share:			
Basic	$ (1.66)	$ 0.24	$ (0.22)
Diluted	$ (1.66)	$ 0.10	$ (0.22)
Weighted-average common shares outstanding:			
Basic	155,109,561	144,758,555	114,328,798
Diluted	155,109,561	145,874,889	114,328,798

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

Cartesian Therapeutics, Inc. and Subsidiaries

Consolidated Statements of Changes in Convertible Preferred Stock and Stockholders' Equity (Deficit)

(Amounts in thousands, except share data)

	Series A Preferred stock		Options for Series A Preferred Stock	Common stock		Additional paid-in	Accumulated	Accumulated other comprehensive	Stockholders' (Deficit)
	Shares	Amount	Amount	Shares	Amount	capital	deficit	loss	Equity
Balance at December 31, 2020	—	$ —	$ —	108,071,249	$ 11	$ 391,175	$ (404,629)	$ (4,563)	$ (18,006)
Issuance of common stock under Employee Stock Purchase Plan	—	—	—	58,794	—	161	—	—	161
Issuance of common stock upon exercise of options	—	—	—	447,492	—	778	—	—	778
Issuance of vested restricted stock units	—	—	—	201,250	—	—	—	—	—
Issuance of common stock through at-the-market offering, net	—	—	—	13,767,511	1	51,933	—	—	51,934
Issuance of common stock upon exercise of warrants	—	—	—	1,076,669	—	5,624	—	—	5,624
Stock-based compensation expense	—	—	—	—	—	7,720	—	—	7,720
Currency translation adjustment	—	—	—	—	—	—	—	(2)	(2)
Unrealized loss on marketable securities	—	—	—	—	—	—	—	(1)	(1)
Net loss	—	—	—	—	—	—	(25,687)	—	(25,687)
Balance at December 31, 2021	—	$ —	$ —	123,622,965	$ 12	$ 457,391	$ (430,316)	$ (4,566)	$ 22,521
Issuance of common stock under Employee Stock Purchase Plan	—	—	—	120,877	—	189	—	—	189
Issuance of common stock upon exercise of options	—	—	—	71,190	—	156	—	—	156
Issuance of vested restricted stock units	—	—	—	131,430	—	—	—	—	—
Issuance of common stock through at-the-market offering, net	—	—	—	774,544	—	2,121	—	—	2,121
Issuance of common stock and common warrants	—	—	—	27,428,572	3	21,477	—	—	21,480
Issuance of common stock, license agreement	—	—	—	892,857	—	1,000	—	—	1,000
Reclassification of warrant liabilities	—	—	—	—	—	780	—	—	780
Stock-based compensation expense	—	—	—	—	—	10,194	—	—	10,194
Currency translation adjustment	—	—	—	—	—	—	—	18	18
Unrealized loss on marketable securities	—	—	—	—	—	—	—	(10)	(10)
Net income	—	—	—	—	—	—	35,379	—	35,379
Balance at December 31, 2022	—	$ —	$ —	153,042,435	$ 15	$ 493,308	$ (394,937)	$ (4,558)	$ 93,828
Issuance of Series A Preferred Stock in private placement	619.627	250	—	—	—	—	—	—	—
Issuance of Series A Preferred Stock in connection with the Merger and settlement of related forward contract	384,930.724	261,753	—	—	—	—	—	—	—
Issuance of Series A Preferred Stock in connection with private placement and settlement of related forward contract	49,570.162	34,848	—	—	—	—	—	—	—
Issuance of common stock under Employee Stock Purchase Plan	—	—	—	186,044	—	231	—	—	231
Issuance of vested restricted stock units	—	—	—	636,418	—	—	—	—	—
Issuance of common stock forward in connection with the Merger	—	—	—	—	—	2,713	—	—	2,713
Issuance of common stock in connection with the Merger and settlement of related forward contract	—	—	—	6,723,639	1	(1)	—	—	—
Issuance of replacement options in Merger	—	—	3,643	—	—	6,801	—	—	6,801
Issuance of common stock, license agreement	—	—	—	1,339,285	—	1,500	—	—	1,500
Settlement of outstanding equity awards at Merger	—	—	—	—	—	(6,169)	—	—	(6,169)
Distribution of contingent value rights	—	—	—	—	—	(340,300)	—	—	(340,300)
Stock-based compensation expense	—	—	60	—	—	20,964	—	—	20,964
Currency translation adjustment	—	—	—	—	—	—	—	(53)	(53)
Unrealized gain on marketable securities	—	—	—	—	—	—	—	11	11
Net loss	—	—	—	—	—	—	(219,710)	—	(219,710)
Balance at December 31, 2023	435,120.513	$ 296,851	$ 3,703	161,927,821	$ 16	$ 179,047	$ (614,647)	$ (4,600)	$ (440,184)

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

Cartesian Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities	(Amounts in thousands)		
Net (loss) income	$ (219,710)	$ 35,379	$ (25,687)
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Depreciation and amortization	843	1,287	1,252
Amortization of premiums and discounts on marketable securities	(79)	(375)	57
Non-cash lease expense	1,754	1,337	1,119
Impairment of Right of use asset	710	—	—
Loss (gain) on disposal of property and equipment	477	(147)	—
Stock-based compensation expense	22,524	11,194	7,720
Non-cash interest expense	455	953	1,012
Warrant liabilities revaluation	(12,746)	(20,882)	2,339
Contingent value right liability revaluation	18,300	—	—
Forward contract liabilities revaluation	149,600	—	—
Loss on extinguishment of debt	740	—	—
Provision (benefit) for deferred taxes	(19,000)	—	—
Changes in operating assets and liabilities:			
Accounts receivable	726	3,318	(2,690)
Unbilled receivable	181	(3,162)	—
Prepaid expenses, deposits and other assets	(1,265)	2,471	(1,451)
Accounts payable	2,834	92	(219)
Income taxes payable	—	(601)	601
Deferred revenue	5,256	(64,707)	(45,496)
Accrued expenses and other liabilities	(2,761)	2,212	1,061
Net cash used in operating activities	(51,161)	(31,631)	(60,382)
Cash flows from investing activities			
Cash assumed in acquisition of Old Cartesian	6,561	—	—
Proceeds from maturities of marketable securities	28,254	19,700	16,400
Payment made for investments	—	—	(2,000)
Purchases of marketable securities	—	(33,501)	(30,455)
Purchases of property and equipment	(206)	(1,201)	(1,085)
Net cash provided by (used in) investing activities	34,609	(15,002)	(17,140)
Cash flows from financing activities			
Proceeds from issuance of Series A Preferred Stock, gross in private placement	20,250	—	—
Repayments of principal, final payment fee, and prepayment penalty on debt	(27,457)	—	—
Debt amendment fee included in debt discount	—	(110)	—
Net proceeds from issuance of common stock- at-the-market offering	—	2,121	51,958
Net proceeds from issuance of common stock and common warrants	—	36,859	—
Settlement of outstanding equity awards at Merger	(6,169)	—	—
Proceeds from exercise of stock options	—	156	778
Proceeds from issuance of common stock under Employee Stock Purchase Plan	231	189	161
Net cash (used in) provided by financing activities	(13,145)	39,215	52,897
Effect of exchange rate changes on cash	(53)	20	(3)
Net change in cash, cash equivalents, and restricted cash	(29,750)	(7,398)	(24,628)
Cash, cash equivalents, and restricted cash at beginning of period	108,038	115,436	140,064
Cash, cash equivalents, and restricted cash at end of period	$ 78,288	$ 108,038	$ 115,436
Supplement cash flow information			
Cash paid for interest	$ 1,853	$ 2,248	$ 2,002
Non-cash investing and financing activities			
Issuance of common stock, license agreement in stock-based compensation expense	$ 1,500	$ 1,000	$ —
Cashless warrant exercise	$ —	$ —	$ 5,624
Reclassification of warrant liability to equity	$ —	$ 780	$ —
Purchase of property and equipment not yet paid	$ 128	$ 17	$ 224

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

Cartesian Therapeutics, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

1. Description of the Business

Cartesian Therapeutics, Inc., or the Company, (formerly known as Selecta Biosciences, Inc., or Selecta) was incorporated in Delaware on December 10, 2007, and is headquartered in Gaithersburg, Maryland. The Company is a clinical-stage biotechnology company developing mRNA cell therapies for the treatment of autoimmune diseases leveraging its proprietary technology and manufacturing platform to introduce one or more mRNA molecules into cells to enhance their function. The Company believes its mRNA cell therapies have the potential to deliver deep, durable clinical benefit to a broad group of patients with autoimmune diseases because they can be administered over a short period of time, in an outpatient setting, and without pre-treatment chemotherapy.

On November 13, 2023, the Company acquired, in accordance with the terms of the Agreement and Plan of Merger, or the Merger Agreement, the assets of the Delaware corporation which, immediately prior to the Merger (as defined below), was known as Cartesian Therapeutics, Inc., or Old Cartesian, as disclosed in Note 3. The transaction was structured as a stock-for-stock transaction pursuant to which all of Old Cartesian's outstanding shares of capital stock were exchanged based on a fixed exchange ratio for consideration of 6,723,639 shares of the common stock, $0.0001 per share, of the Company and 384,930.724 shares of the newly designated Series A Non-Voting Convertible Preferred Stock, $0.0001 per share, or the Series A Preferred Stock. The Series A Preferred Stock is intended to have economic rights similar to the common stock, but with only limited voting rights. Additionally, the Company assumed all outstanding stock options of Old Cartesian. The common stock and Series A Preferred Stock related to the Merger were issued on December 5, 2023. For additional information, see Note 3.

In connection with the Merger, the Company entered into a definitive agreement, or the Securities Purchase Agreement, for a private investment in public equity transaction, or the November 2023 Private Placement, with the Investors (as defined below). The Securities Purchase Agreement provides for the issuance to the Investors of an aggregate of 149,330.115 shares of Series A Preferred Stock for an aggregate purchase price of approximately $60.25 million. For additional information, see Note 11.

In connection with the Merger, a contractual contingent value right, or CVR, was distributed to the holders of record of the Company's common stock and 2022 Warrants as of the close of business on December 4, 2023, but was not distributed to holders of shares of common stock or Series A Preferred Stock issued to stockholders of Old Cartesian or the Investors in the transactions. Holders of the CVRs will be entitled to receive certain payments from proceeds received by the Company, if any, related to the disposition or monetization of the Company's legacy assets following the issuance of the CVRs. For additional information, see Note 6.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the need to obtain additional financing. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel infrastructure and extensive compliance-reporting capabilities.

The Company's product candidates are in pre-clinical and clinical development. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, or maintained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from product sales. The Company operates in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees and consultants.

Liquidity and Management's Plan

The future success of the Company is dependent on its ability to develop its product candidates and ultimately upon its ability to attain and sustain profitable operations. The Company is subject to a number of risks similar to other early-stage life science companies, including, but not limited to, successful development of its product candidates, raising additional capital with favorable terms, protection of proprietary technology and market acceptance of any approved future products. The successful development of product candidates requires substantial working capital, which may not be available to the Company on favorable terms or at all.

To date, the Company has financed its operations primarily through public offerings and private placements of its securities, funding received from research grants, collaboration and license arrangements and a credit facility. The Company currently has no source of product revenue, and it does not expect to generate product revenue for the foreseeable future. To

date, the Company's revenue has primarily been from collaboration agreements. The Company has devoted substantially all of its financial resources and efforts to developing its existing product candidates, identifying potential product candidates and conducting preclinical studies and clinical trials. The Company is in the early stages of development of its product candidates, and it has not completed development of any product candidates.

As of December 31, 2023, the Company's cash, cash equivalents, and restricted cash were $78.3 million, of which $1.4 million was restricted cash related to lease commitments and $0.2 million was held by its Russian subsidiary designated solely for use in its operations. The Company believes the cash, cash equivalents and restricted cash as of December 31, 2023 combined with net proceeds of $40.0 million received subsequent to December 31, 2023 from the November 2023 Private Placement will enable it to fund its current planned operations for at least the next twelve months from the date of issuance of these financial statements, though it may pursue additional cash resources through public or private equity or debt financings or by establishing collaborations with other companies. Management's expectations with respect to its ability to fund current and long term planned operations are based on estimates that are subject to risks and uncertainties. If actual results are different from management's estimates, the Company may need to seek additional strategic or financing opportunities sooner than would otherwise be expected. However, there is no guarantee that any collaboration milestones will be achieved or that any of these strategic or financing opportunities will be executed on favorable terms, and some could be dilutive to existing stockholders. Further, the liability associated with the CVR Agreement (as defined below) will be settled solely through cash flow received under the Company's License and Development Agreement, or as so amended, the Sobi License, with Swedish Orphan Biovitrum AB (publ.), or Sobi, and any other Gross Proceeds (as defined in the CVR Agreement) net of certain agreed deductions. Under the CVR Agreement, 100% of all milestone payments, royalties and other amounts paid to the Company or controlled entities under the Sobi License, and any other Gross Proceeds will be distributed, net of specified deductions, to holders of the CVRs. There is no obligation to the Company to fund any amount related to the CVR liability. See Note 6.

The Certificate of Designation of Preferences, Rights, and Limitations of the Series A Non-Voting Convertible Preferred Stock, or the Certificate of Designation, contains a provision granting each holder of the Series A Preferred Stock the option to require the Company to redeem any or all of such holder's then-outstanding shares of Series A Preferred Stock beginning on the date that is 18 months following the date of the closing of the Merger, November 13, 2023, at a price per share equal to the ten-day trailing average closing trading price of the common stock at such time; provided, however, that no holder will have the right to seek redemption of any shares of Series A Preferred Stock to the extent that such holder would otherwise be unable to convert such shares of Series A Preferred Stock due to the common stock beneficial ownership limitation applicable to such holder. The Company could be required to use a significant amount of its cash resources on hand to satisfy this redemption obligation, particularly if its stockholders do not ever approve a proposal to convert the Company's Series A Preferred Stock into common stock, or generally if holders of Series A Preferred Stock exercise their redemption right with respect to a significant number of shares of Series A Preferred Stock or at a time when the trading price of the Company's common stock is elevated. Further, in the event that the Company does not have sufficient cash on hand to satisfy its redemption obligations, the Company may need to raise additional capital to satisfy these potential obligations. Any redemption payments could materially limit the amount of cash the Company has available to fund our operations and the potential need to redeem shares of Series A Preferred Stock may limit the flexibility with which the Company seeks to operate its business.

If the Company is unable to obtain additional funding on a timely basis, it may be forced to significantly curtail, delay, or discontinue one or more of its planned research or development programs or be unable to expand its operations or otherwise capitalize on its commercialization of its product candidates. As of December 31, 2023, the Company had an accumulated deficit of $614.6 million. The Company anticipates operating losses to continue for the foreseeable future due to, among other things, costs related to research and development of its product candidates and its administrative organization.

Guarantees and Indemnifications

As permitted under Delaware law, the Company indemnifies its officers, directors, consultants and employees for certain events or occurrences that happen by reason of the relationship with, or position held at, the Company. Through December 31, 2023, the Company had not experienced any losses related to these indemnification obligations, and no claims were outstanding. The Company does not expect significant claims related to these indemnification obligations and, consequently, concluded that the fair value of these obligations is negligible, and no related reserves were established.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Selecta (RUS), LLC, or Selecta (RUS), a Russian limited liability corporation, and Selecta Biosciences Security Corporation, a Massachusetts securities corporation, and Cartesian Bio, LLC, a Delaware limited liability company, which is a variable interest entity for which the Company is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management considers many factors in selecting appropriate financial accounting policies and controls, and bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes to be reasonable under the circumstances. In preparing these consolidated financial statements, management used significant estimates in the following areas, among others: estimated fair value of the intangible assets acquired in connection with the Merger, estimated fair value of the CVRs, deferred income taxes, revenue recognition and estimating accrued research and development expenses. The Company assesses the above estimates on an ongoing basis; however, actual results could materially differ from those estimates.

Segment Information

The Company views its operations and manages its business in one operating segment, which prior to the Merger related to the research and development of nanoparticle immunomodulatory drugs for the treatment and prevention of human diseases and subsequent to the Merger relates to the research and development of cell therapy product candidates.

Cash Equivalents, Restricted Cash, Marketable Securities and Investments

Cash equivalents include all highly liquid investments maturing within 90 days from the date of purchase. Marketable securities consist of securities with remaining maturities greater than 90 days when purchased. The Company classifies these marketable securities as available-for-sale and records them at fair value in the accompanying consolidated balance sheets. Marketable securities with less than one year until maturity are classified as short term, while marketable securities with maturities greater than one year are classified as long term. Unrealized gains or losses are included in accumulated other comprehensive income (loss). Premiums or discounts from par value are amortized to investment income over the life of the underlying investment. Although available to be sold to meet operating needs or otherwise, securities are generally held through maturity. The cost of securities sold is determined based on the specific identification method for purposes of recording realized gains and losses.

The Company has also in the past invested in equity securities of a company whose securities are not publicly traded and where fair value is not readily available. This investment is recorded using cost minus impairment adjusted for changes in observable prices, depending on our ownership percentage and other factors that suggest we have significant influence. The Company monitors this investment to evaluate whether any increase or decline in its value has occurred, based on the implied value of recent company financings, public market prices of comparable companies and general market conditions. This investment is included in investments in the consolidated balance sheets.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash, cash equivalents, short-term deposits and marketable securities, investments, and accounts receivable. Cash and cash equivalents are deposited with federally insured financial institutions in the United States and may, at times, exceed federally insured limits. Management believes that the financial institutions that hold the Company's deposits are financially creditworthy and, accordingly, minimal risk exists with respect to those balances. The Company also maintains cash in Russian bank accounts in denominations of both Russian rubles and U.S. dollars. As of December 31, 2023, the Company maintained approximately $0.2 million in Russian bank accounts in denominations of both Russian rubles and U.S. dollars.

Fair Value of Financial Instruments

The Company's financial instruments consist mainly of cash equivalents, restricted cash, accounts payable, loans payable, marketable securities, investments, warrants to purchase common stock, forward contract liabilities, and contingent value rights. The carrying amounts of cash equivalents, restricted cash, accounts receivable, and accounts payable approximate their estimated fair value due to their short-term maturities.

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1—Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2—Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

To the extent that a valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value of warrant liabilities and contingent value rights are determined using Level 3 inputs.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may change for many instruments. This condition could cause an instrument to be reclassified within levels in the fair value hierarchy.

The carrying amounts reflected in the consolidated balance sheet for investments approximate fair value and are assessed for impairment quarterly.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets, generally seven years for furniture and fixtures, five years for laboratory equipment, software and office equipment and three years for computer equipment. Leasehold improvements are amortized over their useful life or the life of the lease, whichever is shorter. Major additions and betterments are capitalized. Maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to operations as incurred. Costs incurred for construction in progress are recorded as assets and are not amortized until the construction is substantially complete and the assets are ready for their intended use.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In order to determine if assets have been impaired, assets are tested at the lowest level for which identifiable independent cash flows are available. An impairment loss is recognized when the sum of projected undiscounted cash flows is less than the carrying value of the asset group. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. The Company recognized a $0.7 million impairment charge on a right-of-use asset during the year ended December 31, 2023.

Debt Issuance Costs

Debt issuance costs and fees paid to lenders are recorded as a direct deduction from the face amount of the related debt. Debt issuance costs are amortized over the term of the related debt using the effective interest method and recorded as interest expense.

Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in the equity of a business entity during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) consists of: (i) all components of net income (loss) and (ii) all components of comprehensive income (loss) other than net income (loss), referred to as other comprehensive income (loss). Other comprehensive income (loss) is comprised of unrealized gains and losses on debt securities and foreign currency translation adjustments.

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. Pursuant to ASC Topic 606, *Revenue from Contracts with Customers (ASC 606)*, a customer is a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the

Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. If a promised good or service is not distinct, it is combined with other promised goods or services into a performance obligation. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. For example, certain performance obligations associated with the License and Development Agreement, or Astellas Agreement, entered into with Audentes Therapeutics, Inc., or Astellas, (see Note 14) will be satisfied over time, and revenue will be recognized using the input method.

Collaboration and License Revenue: The Company currently generates its revenue through collaboration and license agreements with strategic collaborators for the development and commercialization of product candidates. Collaboration and license agreements with customers are generally accounted for in accordance with ASC 606. The Company analyzes collaboration arrangements by first assessing whether they are within the scope of ASC Topic 808, *Collaborative Arrangements (ASC 808)*, and evaluates whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards that are dependent on the commercial success of such activities. Collaboration agreements with customers that are not within the scope of ASC 808 are accounted for in accordance with ASC 606. To the extent the collaboration agreement is within the scope of ASC 808, the Company also assesses whether any aspects of the agreement are within the scope of other accounting literature (specifically ASC 606). If the Company concludes that some or all aspects of the agreement are distinct and represent a transaction with a customer, the Company accounts for those aspects of the arrangement within the scope of ASC 606. The Company recognizes the shared costs incurred that are not within the scope of other accounting literature as a component of the related expense in the period incurred by analogy to ASC Topic 730, *Research and Development (ASC 730)*, and records reimbursements from counterparties as an offset to the related research and development costs. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under the agreements in accordance with ASC 606, the Company performs the five steps above. As part of the accounting for the arrangement, the Company must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. The Company uses key assumptions to determine the stand-alone selling price, which may include market conditions, reimbursement rates for personnel costs, development timelines and probabilities of regulatory success.

The terms of the Company's arrangements typically include one or more of the following: (i) upfront fees; (ii) milestone payments related to the achievement of development, regulatory, or commercial goals; (iii) royalties on net sales of licensed products; (iv) reimbursements or cost-sharing of research and development expenses; and (v) profit/loss sharing arising from co-promotion arrangements.

Licenses of Intellectual Property: If the license to the Company's intellectual property is determined to be distinct from the other promised goods and services identified in the arrangement, the Company recognizes revenues from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. If not distinct, the license is combined with other promised goods and services in the contract. For licenses that are combined with other promised goods and services, the Company assesses the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition. Optional licenses are evaluated to determine if they are issued at a discount, and therefore, represent material rights and accounted for as separate performance obligations.

Milestone Payments: At the inception of each arrangement that includes developmental and regulatory milestone payments, the Company evaluates whether the achievement of each milestone specifically relates to the Company's efforts to satisfy a performance obligation or transfer a distinct good or service within a performance obligation. If the achievement of a milestone is considered a direct result of the Company's efforts to satisfy a performance obligation or transfer a distinct good or service and the receipt of the payment is based upon the achievement of the milestone, the associated milestone value is allocated to that distinct good or service. If the milestone payment is not specifically related to the Company's effort to satisfy a performance obligation or transfer a distinct good or service, the amount is allocated to all performance obligations using the relative standalone selling price method. The Company also evaluates the milestone to determine whether they are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price to be allocated, otherwise, such amounts are constrained and excluded from the transaction price. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of such development milestones and any related constraint, and if necessary, adjusts its estimate of the transaction price. Any such adjustments to the transaction price are allocated to the performance obligations on the same basis as at contract inception. Amounts allocated to a satisfied

performance obligation shall be recognized as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

Manufacturing Supply Services: Arrangements that include a promise for future supply of drug substance or drug product for either clinical development or commercial supply at the customer's discretion are evaluated to determine if they are distinct and optional. For optional services that are distinct, the Company assesses if they are priced at a discount, and therefore, provide a material right to the licensee to be accounted for as separate performance obligations.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied) in accordance with the royalty recognition constraint.

Research and Development Costs

Costs incurred in the research and development of the Company's products are expensed as incurred. Research and development expenses include costs incurred in performing research and development activities, including salaries and benefits, stock-based compensation expenses, facilities cost, overhead costs, contract services, supplies and other outside costs. Nonrefundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Clinical Trial Costs

Clinical trial expenses are a significant component of research and development expenses, and the Company outsources a significant portion of these costs to third parties. Third party clinical trial expenses include patient costs, clinical research organization costs and costs for data management. The accrual for site and patient costs includes inputs such as estimates of patient enrollment, patient cycles incurred, clinical site activations, and other pass-through costs. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected on the consolidated balance sheets as a prepaid asset or accrued clinical trial cost. These third party agreements are generally cancellable, and related costs are recorded as research and development expenses as incurred. Non-refundable advance clinical payments for goods or services that will be used or rendered for future research and development activities are recorded as a prepaid asset and recognized as expense as the related goods are delivered or the related services are performed. The Company also records accruals for estimated ongoing clinical research and development costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the estimates made by the Company. The historical clinical accrual estimates made by the Company have not been materially different from the actual costs.

In June 2020, the Company and Sobi entered into a License and Development Agreement, which was amended in October 2023. Pursuant to the Sobi License, clinical trial costs incurred to complete development of the SEL-212 product candidate, including but not limited to costs incurred while conducting and completing the Phase 3 DISSOLVE trials, were reimbursed by Sobi. These costs, when reimbursed, were recognized as revenue consistent with the revenue recognition methodology disclosed in Note 14. The reimbursable costs exclude any costs of additional development activities required that are related to the ImmTOR platform and that are unrelated to SEL-212.

In January 2023, the Company and Astellas entered into the Astellas Agreement. Pursuant to the Astellas Agreement, Astellas will reimburse the Company for 25% of all budgeted costs incurred to complete the development of Xork for use in Pompe disease with an Astellas gene therapy investigational or authorized product. These costs, when reimbursed, will be recognized as revenue consistent with the revenue recognition methodology disclosed in Note 14.

Income Taxes

The Company provides deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the Company's financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. A valuation allowance is provided to reduce the deferred tax assets to the amount that will more-likely-than-not be realized.

The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more-likely-than-not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes. To date, the Company has not incurred interest and penalties related to uncertain tax positions.

Warrants

The Company determines the accounting classification of warrants that are issued, as either liability or equity, by first assessing whether the warrants meet liability classification in accordance with ASC 480-10, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, and then in accordance with ASC 815-40, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*. Under ASC 480, warrants are considered liability classified if the warrants are mandatorily redeemable, obligate the issuer to settle the warrants or the underlying shares by paying cash or other assets, or must or may require settlement by issuing variable number of shares.

If warrants do not meet liability classification under ASC 480-10, the Company assesses the requirements under ASC 815-40, which states that contracts that require or may require the issuer to settle the contract for cash are liabilities recorded at fair value, irrespective of the likelihood of the transaction occurring that triggers the net cash settlement feature. If the warrants do not require liability classification under ASC 815-40, in order to conclude equity classification, the Company assesses whether the warrants are indexed to its common stock and whether the warrants are classified as equity under ASC 815-40 or other applicable GAAP. After all relevant assessments are made, the Company concludes whether the warrants are classified as liability or equity. Liability classified warrants are required to be accounted for at fair value both on the date of issuance and on subsequent accounting period ending dates, with all changes in fair value after the issuance date recorded in the statements of operations as a gain or loss. Equity classified warrants are accounted for at fair value on the issuance date with no changes in fair value recognized after the issuance date.

Stock-Based Compensation

The Company accounts for all stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation is measured at the grant date fair value and is recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of estimated forfeitures. To the extent that actual forfeitures differ from the Company's estimates, the differences are recorded as a cumulative adjustment in the period the estimates were adjusted. Stock-based compensation expense recognized in the consolidated financial statements is based on awards that ultimately vest.

Net (Loss) Income Per Share

The Company applies the two-class method to compute basic and diluted net (loss) income per share attributable to common stockholders when it has issued shares that meet the definition of participating securities. The two-class method determines net (loss) income per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires (loss) income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to share in the earnings as if all (loss) income for the period had been distributed. The Company's Series A Preferred Stock and 2022 Warrants participate in any dividends declared by the Company and are therefore considered to be participating securities. The participating securities are not required to participate in the losses of the Company, and therefore during periods of loss there is no allocation required under the two-class method.

Basic net (loss) income per share attributable to common stockholders is computed by dividing the net (loss) income attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted net (loss) income attributable to common stockholders is computed by adjusting net (loss) income per share attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net (loss) income per share attributable to common stockholders is computed by dividing the diluted net (loss) income attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period, including potential dilutive common shares. For purpose of this calculation, outstanding options to purchase common stock and Series A Preferred Stock, forward contracts to issue Series A Preferred Stock, restricted stock units, warrants to purchase common stock, employee stock purchase plan stock, contingently issuable shares, and Series A Preferred Stock are considered potential dilutive common shares.

Contingent Liabilities

The Company accounts for its contingent liabilities in accordance with ASC No. 450, *Contingencies*. A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter.

Leases

The Company accounts for its leases in accordance with ASC Topic 842, *Leases (ASC 842)*, and determines whether the arrangement is or contains a lease based on the unique facts and circumstances present. Most leases with a term greater than one year are recognized on the balance sheet as right-of-use assets, lease liabilities and, if applicable, long-term lease liabilities. The Company elected not to recognize leases with an original term less than one year on its balance sheet. Operating lease right-of-use assets and their corresponding lease liabilities are recorded based on the present value of lease payments over the expected remaining lease term. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company

utilizes its incremental borrowing rates, which are the rates incurred to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment.

In accordance with the guidance in ASC 842, the fixed and in-substance fixed contract consideration must be allocated to lease and non-lease components based on their relative fair values. Non-components of a contract (e.g., administrative tasks that do not transfer a good or service to the Company, reimbursement or payment of a lessor's cost, etc.) do not receive an allocation of the consideration in the contract. Although allocation of consideration of lease and non-lease components is required, the Company elected the practical expedient to not separate lease components (e.g. land, building, etc.) and non-lease components (e.g., common area maintenance, consumables, etc.). The lease component results in an operating right-of-use asset being recorded on the balance sheet and amortized on a straight-line basis as lease expense. Right-of-use assets and operating lease liabilities are remeasured upon certain modifications to leases using the present value of remaining lease payments and the estimated incremental borrowing rate upon lease modification.

The Company enters into lease agreements with terms generally ranging from two to eight years. Some of the Company's lease agreements include Company options to either extend and/or early terminate the lease, the costs of which are included in its operating lease liabilities to the extent that such options are reasonably certain of being exercised. Leases with renewal options allow the Company to extend the lease term typically between one and five years. When determining the lease term, renewal options reasonably certain of being exercised are included in the lease term. When determining if a renewal option is reasonably certain of being exercised, the Company considers several economic factors, including but not limited to, the significance of leasehold improvements incurred on the property, whether the asset is difficult to replace, underlying contractual obligations, or specific characteristics unique to that particular lease that would make it reasonably certain that the Company would exercise such option. Renewal and termination options were generally not included in the lease term for the Company's existing operating leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Acquisitions

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen is met, the transaction is accounted for as an asset acquisition. If the screen is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs, which would meet the requirements of a business. If determined to be a business combination, the Company accounts for the transaction under the acquisition method of accounting which requires the acquiring entity in a business combination to recognize the fair value of all assets acquired, liabilities assumed, and any non-controlling interest in the acquiree and establishes the acquisition date as the fair value measurement point. Accordingly, the Company recognizes assets acquired and liabilities assumed in business combinations based on the fair value estimates as of the date of acquisition. In accordance with ASC 805, Business Combinations, or ASC 805, the Company recognizes and measures goodwill as of the acquisition date, as the excess of the fair value of the consideration paid over the fair value of the identified net assets acquired.

Goodwill

Goodwill represents the amount of consideration paid in excess of the fair value of the identified net assets acquired as a result of the Company's business acquisitions accounted for using the acquisition method of accounting. Goodwill is not amortized and is subject to impairment testing at a reporting unit level on an annual basis or when a triggering event occurs that may indicate the carrying value of the goodwill is impaired. An entity is permitted to first assess qualitative factors to determine if a quantitative impairment test is necessary. Such qualitative factors include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant events. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

The Company evaluates goodwill for impairment at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may not be recoverable. For the year ended December 31, 2023, the Company determined that there was no impairment to goodwill.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets consist of in-process research and development, or IPR&D. The fair values of IPR&D assets acquired in business combinations are capitalized. These assets are treated as indefinite-lived intangible assets until completion or abandonment of the projects, at which time the assets are amortized over the remaining useful life or written off, as appropriate.

Intangible assets with indefinite lives, including IPR&D, are tested for impairment if impairment indicators arise and, at a minimum, annually. However, an entity is permitted to first assess qualitative factors to determine if a quantitative impairment test is necessary. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more

likely than not that an indefinite-lived intangible asset's fair value is less than its carrying amount. Otherwise, no further impairment testing is required. The indefinite-lived intangible asset impairment test consists of a one-step analysis that compares the fair value of the intangible asset with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The Company considers many factors in evaluating whether the value of its intangible assets with indefinite lives may not be recoverable, including, but not limited to, expected growth rates, the cost of equity and debt capital, general economic conditions, the Company's outlook and market performance of the Company's industry and recent and forecasted financial performance.

The Company evaluates indefinite-lived intangible assets for impairment at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may not be recoverable. For the year ended December 31, 2023, the Company determined that there was no impairment to the IPR&D assets.

Series A Preferred Stock

The Company records the Series A Preferred Stock upon issuance at its fair value. The fair value includes the original issuance price, the settlement of any related forward contract, and is less issuance costs. The Company classifies its Series A Preferred Stock outside of stockholders' equity as the redemption of such shares is outside the Company's control. The Company does not adjust the carrying value of the Series A Preferred Stock to redemption value until it is probable of becoming redeemable, which the Company did not conclude was probable as of December 31, 2023.

Series A Preferred Stock Options

The Company classifies a portion of the fair value of the vested stock options for Series A Preferred Stock equal to the estimated redemption value on the measurement date outside of stockholders' equity, as the redemption of the shares underlying the options are outside the Company's control. Any fair value in excess of the estimated redemption value is recognized as additional paid-in capital. The estimated redemption value is based on the intrinsic value of the option. The Company does not adjust the carrying value of the stock options for Series A Preferred Stock until the underlying Series A Preferred Stock is probable of becoming redeemable. The Company concluded the redemption was not probable of occurring as of December 31, 2023. The Company records the stock options for Series A Preferred Stock based on the intrinsic value of the vested options.

Variable Interest Entities

The Company evaluates its variable interests in variable interest entities, or VIEs, and consolidates VIEs when the Company is the primary beneficiary. The Company determines whether it is the primary beneficiary of a VIE based on its assessment of whether the Company possesses both (i) the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the obligation to absorb losses that could be significant to the VIE or the right to receive benefits that could be significant to the VIE. The Company reevaluates the accounting for its VIEs upon the occurrence of events that could change the primary beneficiary conclusion.

Contingent Value Right Liability

The CVRs distributed by the Company pursuant to the terms of the CVR Agreement represent financial instruments that are accounted for under the fair value option election in ASC 825, *Financial Instruments*, or ASC 825. Under the fair value option election, the CVRs are initially measured at the aggregate estimated fair value of the CVRs and will be subsequently remeasured at estimated fair value on a recurring basis at each reporting period date. The estimated fair value of the CVR liability was determined using the discounted cash flow method to estimate future cash flows associated with the legacy assets, including the expected milestone and royalty payments under the Sobi License, net of deductions. Changes in fair value of the liability are presented within change in fair value of contingent value right liability in the consolidated statements of operations and comprehensive income (loss). The liability value is based on significant inputs not observable in the market such as estimated cash flows, estimated probabilities of success, and risk-adjustment discount rates, which represent a Level 3 measurement within the fair value hierarchy.

Forward Contract Liabilities

The Company accounts for contracts related to the future issuance of Series A Preferred Stock as a liability because the underlying shares of Series A Preferred Stock include a redemption feature that may require the Company to settle the instrument by transferring an asset. The forward contract liability is carried at fair value through the date the underlying Series A Preferred Stock are issued. The fair value of the forward contract liability was initially measured based on the fair value of the Series A Preferred Stock issued in the November 2023 Private Placement (see Note 11), less the purchase price, if any. Subsequent measurement of the fair value of the forward contract liability is based on the market price of the Company's common stock, which represents the redemption and conversion value of the Series A Preferred Stock, less the purchase price, if any, on an as-converted basis. The remeasurement of the forward contract liability is based on Level 2 inputs within the fair value hierarchy as it's based on observable market data. Changes in fair value of the liability are presented within change in fair value of forward contract liabilities in the consolidated statements of operations and comprehensive income (loss).

Recent Accounting Pronouncements

Recently Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. Subsequently, in November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses*. ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, and reasonable and supportable forecasts. ASU 2016-13 also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses. This ASU is effective for smaller reporting companies for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company adopted the new standard effective January 1, 2023, using a modified retrospective transition method, and there was no impact on its consolidated financial statements or results of operations upon adoption.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350),* which eliminates Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value (i.e., measure the charge based on today's Step 1). This ASU is effective for annual and interim impairment tests performed in periods beginning after December 15, 2022. Early adoption of the standard is permitted. The Company adopted the new standard effective January 1, 2023 and there was no impact on its consolidated financial statements or results of operations upon adoption.

Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (ASU 2023-07), which requires an enhanced disclosure of significant segment expenses on an annual and interim basis. This guidance will be effective for the annual periods beginning the year ended December 31, 2024, and for interim periods beginning January 1, 2025. Early adoption is permitted. Upon adoption, the guidance should be applied retrospectively to all prior periods presented in the financial statements. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09), which improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be effective for the annual periods beginning the year ended December 31, 2025. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

3. Merger

On November 13, 2023, the Company merged with Old Cartesian in accordance with the terms of the Merger Agreement, by and among Selecta, Sakura Merger Sub I, Inc., a wholly owned subsidiary of Selecta, or First Merger Sub, Sakura Merger Sub II, LLC, a wholly owned subsidiary of Selecta, or Second Merger Sub, and Old Cartesian. Pursuant to the Merger Agreement, First Merger Sub merged with and into Old Cartesian, pursuant to which Old Cartesian was the surviving corporation and became a wholly owned subsidiary of Selecta, or the First Merger. Immediately following the First Merger, Old Cartesian merged with and into Second Merger Sub, pursuant to which Second Merger Sub was the surviving entity, or the Second Merger and, together with the First Merger, the Merger. In connection with the Second Merger, Old Cartesian changed its name to Cartesian Bio, LLC.

The Merger was intended to qualify as a tax-free reorganization for U.S. federal income tax purposes. As a result of the Merger, Selecta changed its corporate name to Cartesian Therapeutics, Inc. and its common stock began trading on the Nasdaq Global Market under the new trading symbol "RNAC" beginning on November 14, 2023.

The Merger Agreement was unanimously approved by the board of directors, or the Board of Directors, of Selecta and the board of directors of Old Cartesian. The Merger was consummated substantially concurrently with the entry into the Merger Agreement and was not subject to approval of the Company's stockholders.

Under the terms of the Merger Agreement, following the consummation of the Merger on November 13, 2023, or the Closing Date, in exchange for 100% of the outstanding shares of capital stock of Old Cartesian immediately prior to the effective time of the First Merger, the Company agreed to issue to the stockholders of Old Cartesian (i) 6,723,639 shares of the Company's common stock and (ii) 384,930.724 shares of Series A Preferred Stock. The issuance of the shares of common stock and Series A Preferred Stock occurred on December 5, 2023 which was after the December 4, 2023 record date for the distribution of the CVRs (see Note 6); as such, the Old Cartesian stockholders did not have rights as holders of common stock or holders of Series A Preferred Stock until such issuance on December 5, 2023. In addition, all outstanding stock options to

purchase Old Cartesian common stock were assumed by the Company and converted into stock options to purchase (i) shares of the Company's common stock or (ii) shares of the Company's Series A Preferred Stock on terms substantially identical to those in effect prior to Merger Agreement, except for adjustments to the underlying number of shares and the exercise price based on the Merger Agreement exchange ratio.

Pursuant to the Merger Agreement, the Company agreed to hold a stockholders' meeting to submit the following proposals to a vote of its stockholders: (i) the approval of the conversion of shares of Series A Preferred Stock into shares of common stock, or the Conversion Proposal, and (ii) either or both of (A) the approval of an amendment to the Company's restated certificate of incorporation, as amended, or the Charter, to increase the number of shares of common stock authorized under the Charter and (B) the approval of an amendment to the Charter to effect a reverse stock split of all outstanding shares of common stock, in either case (A) or (B) by a number of authorized shares or at a stock split ratio, as the case may be, sufficient to allow the conversion of all shares of Series A Preferred Stock issued in the Merger.

The Company concluded the acquisition resulted in the Company obtaining a controlling financial interest in a VIE in accordance with *ASC 810, Consolidation*. The Company determined that Old Cartesian was considered to be a VIE as it did not have sufficient equity to finance its activities without additional subordinated financial support. Prior to the Closing Date, the primary source of funding for Old Cartesian had been preferred stock financings. The Company acquired all of the outstanding shares of Old Cartesian and, therefore, is the sole equity holder and primary beneficiary. The Company has the obligation to the absorb losses and right to receive the benefits of Old Cartesian, and the power to direct the activities that most significantly affect the economic performance of Old Cartesian which the Company considers to be its development activities. Therefore, the Company is the primary beneficiary. Further, the Company concluded the VIE qualified as a business and accounted for the transaction as the acquisition of a business in accordance with ASC 805. As the primary beneficiary, the Company was the acquirer in the transaction.

The Company exchanged the right to receive shares of common stock and Series A Preferred Stock for all of the outstanding equity of Old Cartesian. The Company determined the rights to receive shares exchanged in the Merger represent a forward contract. The fair value of the forward contracts was determined based on the fair value of shares of common stock and Series A Preferred Stock underlying the forward contracts as of the acquisition date. The total purchase price consists of the fair value of the forward contracts in addition to a portion of the fair value of options exchanged in the transaction related to prior service. Under the acquisition method, the total purchase price of the acquisition was allocated to the net tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of the date of the acquisition.

The total fair value of the consideration of $168.5 million as of the Closing Date is summarized as follows (in thousands):

Forward contract to issue common stock	$	2,713
Forward contract to issue Series A Preferred Stock		155,308
Stock options allocated to consideration paid		10,444
Total consideration	$	168,465

The Company recorded the assets acquired and liabilities assumed as of the Closing Date based on the information available at that date. The following table presents the allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed as of the Closing Date (in thousands):

Assets acquired:		**As of November 13, 2023**
Cash and cash equivalents	$	6,561
Prepaid expenses and other current assets		309
Property and equipment, net		215
Right-of-use asset, net		915
In-process research and development assets		150,600
Goodwill		48,163
	$	206,763
Liabilities assumed		
Accrued expenses and other current liabilities	$	2,530
Lease liability	$	292
Lease liability, net of current portion	$	623
Deferred tax liability	$	34,853
	$	38,298
Net assets acquired	$	168,465

The fair value of IPR&D assets were capitalized as of the Closing Date and will be accounted for as indefinite-lived intangible assets until completion or disposition of the assets or abandonment of the associated research and development efforts. Upon successful completion of the development efforts, the carrying value of the respective IPR&D asset will be amortized over its estimated useful life. Until that time, the IPR&D assets will be subject to impairment testing and will not be amortized. The goodwill recorded related to the Merger is the excess of the fair value of the consideration transferred by the acquirer over the fair value of tangible assets, identifiable intangible assets and assumed liabilities as of the Closing Date and is not deductible for tax purposes. The goodwill balance is primarily attributable to the value of the assembled workforce and deferred tax liabilities associated with the transaction.

The following summarizes the Company's intangible assets acquired in the Merger and their carrying value as of December 31, 2023 (in thousands):

	Acquisition Date Fair Value	Impairment	Carrying Value at December 31, 2023
Descartes-08 for MG	$ 93,900	$ —	$ 93,900
Descartes-08 for SLE	56,700	—	56,700
Total in-process research and development assets	$ 150,600	$ —	$ 150,600

The fair value of the intangible assets was estimated using the income approach in which the after-tax cash flows were discounted to present value. The cash flows are based on estimates used to price the transaction, and the discount rates applied were benchmarked with reference to the implied rate of return from the transaction model as well as the weighted average cost of capital.

For the period from November 13, 2023 to December 31, 2023, Old Cartesian's revenue and net loss within the consolidated statements of operations and comprehensive (loss) income were $0.0 million and $1.6 million, respectively.

The following unaudited pro forma financial information reflects the consolidated results of operations of the Company as if the Merger had taken place on January 1, 2022. The unaudited pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transactions been effected on the assumed date (in thousands):

	Year Ended December 31, 2023	2022
Revenue	$ 26,004	$ 112,226
Net (loss) income	$ (232,259)	$ 29,607

The Company's transaction costs of $4.9 million were expensed as incurred and included in general and administrative expense in the consolidated statements of operations and comprehensive (loss) income.

The forward contract related to the common stock was recorded as additional paid-in capital as the instrument is indexed to the Company's common stock. The forward contract related to the Series A Preferred Stock was recorded as a liability as the underlying Series A Preferred Stock has a redemption feature that may require the Company to settle the instrument by transferring an asset. The forward contract was measured at fair value through the date of settlement through the issuance of the shares of Series A Preferred Stock on December 5, 2023.

4. Marketable Securities and Investments

No marketable securities were held as of December 31, 2023. The following table summarizes the marketable securities held as of December 31, 2022 (in thousands):

	Amortized cost	Unrealized gains	Unrealized losses	Fair value
December 31, 2022				
U.S. government agency securities and treasuries	$ 13,566	$ —	$ (9)	$ 13,557
Corporate bonds	$ 1,953	$ —	$ (2)	$ 1,951
Commercial paper	12,656	—	—	12,656
Total	$ 28,175	$ —	$ (11)	$ 28,164

Investments

As of December 31, 2023 and 2022, the Company has a $2.0 million investment in Cyrus Biotechnology, Inc., or Cyrus, pursuant to the Company's Collaboration and License Agreement with Cyrus, or the Cyrus Agreement. The Company's maximum exposure to loss related to this VIE is limited to the carrying value of the investment. See Note 16 for details.

5. Net (Loss) Income Per Share

The Company reported a net loss for the years ended December 31, 2023 and 2021, and net income for the year ended December 31, 2022. The Company used the treasury stock method to determine the number of dilutive shares. The following table sets forth the computation of basic and diluted net (loss) income per share (in thousands, except share and per-share data):

	Year Ended December 31,		
	2023	2022	2021
Numerator:			
Net (loss) income	$ (219,710)	$ 35,379	$ (25,687)
Less: CVR distribution to participating securities	(37,550)	—	—
Net (loss) income allocable to shares of common stock - basic	(257,260)	35,379	(25,687)
Less: Change in fair value of warrants	—	(20,882)	—
Net (loss) income allocable to shares of common stock - diluted	$ (257,260)	$ 14,497	$ (25,687)
Denominator:			
Weighted-average common shares outstanding - basic	155,109,561	144,758,555	114,328,798
Dilutive effect of employee equity incentive plans and outstanding warrants	—	1,116,334	—
Weighted-average common shares used in per share calculations - diluted	155,109,561	145,874,889	114,328,798
Net (loss) income per share:			
Basic	$ (1.66)	$ 0.24	$ (0.22)
Diluted	$ (1.66)	$ 0.10	$ (0.22)

The following table represents the potential dilutive shares of common stock excluded from the computation of the diluted net (loss) income per share for all periods presented, as the effect would have been anti-dilutive:

	Year Ended December 31,		
	2023	2022	2021
Warrants to purchase common stock	31,224,703	213,339	10,735,980
Series A Preferred Stock	435,120,513	—	—
Forward contract to issue Series A Preferred Stock	99,140,326	—	—
Common stock options, RSUs and ESPP shares	23,306,661	17,800,034	11,492,002
Series A Preferred Stock options	14,112,299	—	—
Total	602,904,502	18,013,373	22,227,982

6. Fair Value Measurements

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds (included in cash equivalents)	$ 41,161	$ 41,161	$ —	$ —
Total assets	$ 41,161	$ 41,161	$ —	$ —
Liabilities:				
Warrant liabilities	$ 6,394	$ —	$ —	$ 6,394
Contingent value right liability	358,600	—	—	358,600
Forward contract liabilities	28,307	—	28,307	—
Total liabilities	$ 393,301	$ —	$ 28,307	$ 364,994

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds (included in cash equivalents)	$ 53,552	$ 53,552	$ —	$ —
Marketable securities:				
U.S. government agency securities and treasuries	13,557	—	13,557	—
Corporate bonds	1,951	—	1,951	—
Commercial paper	12,656	—	12,656	—
Total assets	$ 81,716	$ 53,552	$ 28,164	$ —
Liabilities:				
Warrant liabilities	$ 19,140	$ —	$ —	$ 19,140
Total liabilities	$ 19,140	$ —	$ —	$ 19,140

There were no transfers within the fair value hierarchy during the years ended December 31, 2023 or 2022.

Cash, Cash Equivalents, and Restricted Cash

As of December 31, 2023 and 2022, money market funds were classified as cash and cash equivalents on the accompanying consolidated balance sheets as they mature within 90 days from the date of purchase.

As of December 31, 2023, the Company had restricted cash balances relating to a secured letter of credit in connection with its lease for the Company's prior headquarters (see Note 9 included elsewhere in this Annual Report). Short-term restricted cash is included within prepaid expenses and other current assets in the consolidated balance sheets. The Company's consolidated statement of cash flows includes the following as of December 31, 2023, 2022 and 2021 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Cash and cash equivalents	$ 76,911	$ 106,438	$ 114,057
Short-term restricted cash	—	289	—
Long-term restricted cash	1,377	1,311	1,379
Total cash, cash equivalents, and restricted cash	$ 78,288	$ 108,038	$ 115,436

Marketable Securities

No marketable securities were held as of December 31, 2023. Marketable securities held as of December 31, 2022 and classified as Level 2 within the valuation hierarchy consist of U.S. government agency securities and treasuries, corporate bonds and commercial paper. Marketable securities represent holdings of available-for-sale marketable debt securities in accordance with the Company's investment policy. The Company estimates the fair value of these marketable securities by taking into consideration valuations that include market pricing based on real-time trade data for the same or similar securities, and other observable inputs. The amortized cost of available-for-sale debt securities is adjusted for amortization of premiums and accretion of discounts to the earliest call date for premiums or to maturity for discounts.

Warrants to Purchase Common Stock

In December 2019, the Company issued warrants to purchase common stock in connection with a private placement, or the 2019 Warrants. Pursuant to the terms of the 2019 Warrants, the Company could be required to settle the 2019 Warrants in cash in the event of certain acquisitions of the Company and, as a result, the common warrants are required to be measured at fair value and reported as a liability on the balance sheet. On December 20, 2022, the Company amended the terms of the outstanding 2019 Warrants held by certain members of its Board of Directors, or the Amended 2019 Warrants, to remove the cash settlement provision. As a result, the Amended 2019 Warrants were remeasured at fair value on December 20, 2022 and reclassified from a liability to equity on the balance sheet. Refer to Note 12 for further discussion on the equity-classified Amended 2019 Warrants.

In April 2022, the Company issued warrants in connection with an underwritten offering, or the 2022 Warrants. Pursuant to the terms of the 2022 Warrants, the Company could be required to settle the 2022 Warrants in cash in the event of an acquisition of the Company under certain circumstances and, as a result, the 2022 Warrants are required to be measured at fair value and reported as a liability on the balance sheet.

The Company recorded the fair value of the 2019 Warrants and the 2022 Warrants upon issuance using the Black-Scholes valuation model and is required to revalue the 2019 Warrants and the 2022 Warrants at each reporting date, with any changes in

fair value recorded in the statement of operations and comprehensive income (loss). The valuations of the 2019 Warrants and the 2022 Warrants are classified as Level 3 of the fair value hierarchy due to the need to use assumptions in the valuations that are both significant to the fair value measurement and unobservable, including the stock price volatility and the expected life of the 2019 Warrants and the 2022 Warrants. Generally, increases (decreases) in the fair value of the underlying stock and estimated term would result in a directionally similar impact to the fair value measurement. The changes in the fair values of the warrants are reflected in the statement of operations and comprehensive income (loss) for the years ended December 31, 2023, 2022 and 2021.

The estimated fair values of the 2019 Warrants and the 2022 Warrants were determined using the following inputs to the Black-Scholes simulation valuation:

Estimated fair value of the underlying stock. The Company estimates the fair value of the common stock based on the closing stock price at the end of each reporting period.

Risk-free interest rate. The risk-free interest rate is based on the U.S. Treasury at the valuation date commensurate with the expected remaining life assumption.

Dividend rate. The dividend rate is based on the historical rate, which the Company anticipates will remain at zero.

Expected life. The expected life of the 2019 Warrants and the 2022 Warrants is assumed to be equivalent to their remaining contractual terms which expire on December 23, 2024 and April 11, 2027, respectively.

Volatility. The Company estimates stock price volatility based on the Company's historical volatility for a period of time commensurate with the expected remaining life of the warrants.

A summary of the Black-Scholes pricing model assumptions used to record the fair value of the 2019 Warrants liability is as follows:

	December 31,	
	2023	**2022**
Risk-free interest rate	4.79 %	4.74 %
Dividend yield	—	—
Expected life (in years)	0.98	1.98
Expected volatility	83.67 %	79.92 %

A summary of the Black-Scholes valuation model assumptions used to record the fair value of the 2022 Warrants liability is as follows:

	December 31,	
	2023	**2022**
Risk-free interest rate	4.01 %	4.22 %
Dividend yield	—	—
Expected life (in years)	3.28	4.28
Expected volatility	84.09 %	98.05 %

The following table reflects a roll-forward of fair value for the Company's Level 3 warrant liabilities (see Note 12), for the year ended December 31, 2023 (in thousands):

	Warrant liabilities
Fair value as of December 31, 2022	$ 19,140
Change in fair value	(12,746)
Fair value as of December 31, 2023	$ 6,394

Contingent Value Right

On December 6, 2023, as contemplated by the Merger Agreement, the Company entered into the CVR Agreement, pursuant to which each holder of common stock as of December 4, 2023 or a 2022 Warrant was distributed a CVR, issued by the Company for each share of common stock held directly or underlying a 2022 Warrant held by such holder as of December 4, 2023. Holders of warrants other than the 2022 Warrants will be entitled to receive, upon exercise of such warrants and in accordance with the terms of the warrants, one CVR per each share of common stock underlying such warrants.

Each CVR entitles its holder to distributions of the following, pro-rated on a per-CVR basis, during the period ending on the date on which the Royalty Term (as defined in the Sobi License) ends, or the Termination Date:

- 100% of all milestone payments, royalties and other amounts paid to the Company or its controlled affiliates, or the Company Entities, under the Sobi License or, following certain terminations of the Sobi License, any agreement a Company Entity enters into that provides for the development and commercialization of SEL-212; and
- 100% of all cash consideration and the actual liquidation value of any and all non-cash consideration of any kind that is paid to or is actually received by any Company Entity prior to the Termination Date pursuant to an agreement relating to a sale, license, transfer or other disposition of any transferable asset of the Company existing as of immediately prior to the Merger, other than those exclusively licensed under the Sobi License or which the Company Entities are required to continue to own in order to comply with the Sobi License.

The distributions in respect of the CVRs will be made on a semi-annual basis, and will be subject to a number of deductions, subject to certain exceptions or limitations, including for (i) certain taxes payable on the proceeds subject to the CVR distribution, (ii) certain out of pocket costs incurred by the Company Entities, including audit and accounting fees incurred in connection with reporting obligations relating to the CVRs and other expenses incurred in the performance of their obligations and other actions under the CVR Agreement, (iii) a fixed semi-annual amount of $0.75 million for general and administrative overhead, (iv) payments made and remaining obligations on lease liabilities of Selecta immediately prior to the Merger and (v) amounts paid and remaining obligations with regard to the Xork product candidate. Each of the deductions described in (iv) and (v) will be made only if certain milestone payments under the Sobi License are made and are also subject to certain adjustments as contemplated in the CVR Agreement.

The CVRs represent financial instruments that are accounted for under the fair value option election in *ASC 825, Financial Instruments*. Under the fair value option election, the CVRs are initially measured at the aggregate estimated fair value of the CVRs and will be subsequently remeasured at estimated fair value on a recurring basis at each reporting period date. The liability was recorded at the date of approval, November 13, 2023, as a dividend. The estimated fair value of the CVR liability was determined using the discounted cash flow method to estimate future cash flows associated with the legacy assets, including the expected milestone and royalty payments under the Sobi License, net of deductions. Changes in fair value of the CVR liability are presented in the consolidated statements of operations and comprehensive income (loss). The liability value is based on significant inputs not observable in the market such as estimated cash flows, estimated probabilities of success, and risk-adjustment discount rates, which represent a Level 3 measurement within the fair value hierarchy. The significant inputs used to estimate the fair value of the CVR liability, which represented a financial instrument being accounted for under the fair value option, were as follows:

	December 31, 2023	At Issuance November 13, 2023
Estimated cash flow dates	2024 - 2038	2024 - 2038
Estimated probability of success	95.0 %	95.0 %
Risk-adjusted discount rate	13.7 %	14.4 %

The following table reflects a roll-forward of fair value for the Company's Level 3 CVR liability for the year ended December 31, 2023 (in thousands):

	CVR liability
Fair value as of December 31, 2022	$ —
Issuances	340,300
Change in fair value	18,300
Fair value as of December 31, 2023	$ 358,600

Forward Contract Liabilities

Merger Consideration

In connection with the Merger, the Company entered into a contract for the issuance of 384,930.724 shares of Series A Preferred Stock as part of the consideration transferred. The fair value of the forward contract at the Closing Date (defined below) was $155.3 million. The non-cash settlement of this liability occurred on December 5, 2023 with the issuance of the Series A Preferred Stock for $261.8 million.

November 2023 Private Placement

The Company entered into a contract for the issuance of 149,330.115 shares of Series A Preferred Stock as part of the November 2023 Private Placement which was settled in multiple tranches. The Company determined the obligation to issue

148,710.488 shares of Series A Preferred Stock to Dr. Timothy A. Springer, a member of the Company's Board of Directors, and TAS Partners LLC, an affiliate of Dr. Springer, represented a forward contract. See Note 11. The fair value of the forward contract liability on November 13, 2023 was insignificant as the fair value of the underlying Series A Preferred Stock was equal to the purchase price of the Series A Preferred Stock as agreed upon in the November 2023 Private Placement. The non-cash settlement of a portion of the liability occurred on December 13, 2023 with the issuance of the first tranche of the Series A Preferred Stock for $14.8 million.

The following table presents changes in the forward contract liabilities for the periods presented (in thousands):

	Forward contract liabilities
Fair value as of December 31, 2022	$ —
Issuances	155,308
Settlements	(276,601)
Change in fair value	149,600
Fair value as of December 31, 2023	$ 28,307

7. Property and Equipment

Property and equipment consists of the following (in thousands):

	December 31,	
	2023	2022
Laboratory equipment	$ 6,280	$ 6,001
Computer equipment and software	702	697
Leasehold improvements	61	57
Furniture and fixtures	452	453
Office equipment	196	192
Construction in process	150	599
Total property and equipment	7,841	7,999
Less accumulated depreciation	(5,728)	(5,205)
Property and equipment, net	$ 2,113	$ 2,794

Depreciation expense was $0.7 million, $0.7 million and $0.6 million for the years ended December 31, 2023, 2022 and 2021, respectively.

8. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	December 31,	
	2023	2022
Payroll and employee related expenses	$ 4,390	$ 4,242
Accrued patent fees	472	696
Accrued external research and development costs	4,896	7,274
Accrued professional and consulting services	4,331	985
Accrued interest	—	222
Other	644	665
Accrued expenses	$ 14,733	$ 14,084

9. Leases

65 Grove Street Lease

In July 2019, the Company entered into a lease with BRE-BMR Grove LLC for 25,078 square feet of laboratory and office space located at 65 Grove Street, Watertown, Massachusetts, or the Watertown Lease. As part of the Watertown Lease, the Company incurred $0.8 million in non-reimbursable construction costs. The lease began in March 2020, when the Company took control of the office space, and the lease term is 8 years. The discount rate of 8.9% was determined based on the Company's incremental borrowing rate adjusted for the lease term, including any reasonably certain renewal periods. In connection with the Watertown Lease, the Company secured a letter of credit from Silicon Valley Bank, a division of First-Citizens Bank & Trust Company (successor by purchase to the Federal Deposit Insurance Corporation as Receiver for Silicon

Valley Bridge Bank, N.A. (as successor to Silicon Valley Bank)), or SVB, for $1.6 million, of which $0.3 million is recognized as short-term restricted cash and $1.3 million is recognized as long-term restricted cash, as of December 31, 2022.

On September 1, 2022, the Company entered into an amendment, or the Lease Agreement Amendment, to its lease agreement with BRE-BMR Grove LLC, originally entered into on July 23, 2019, or the Lease Agreement, to expand the Company's laboratory and office space located at 65 Grove Street, Watertown, Massachusetts by 7,216 square feet. The lease term began on September 1, 2022, consistent with when the Company took control of the office space and the expected lease term is 5.7 years. The discount rate of 11.3% was determined based on the Company's incremental borrowing rate adjusted for the lease term including any reasonably certain renewal periods. Rent payments began in November 2022, and the base rent for the first year is $0.1 million per month. The Company recorded the right-of-use asset and operating lease liabilities of $3.2 million during the year ended December 31, 2022 as control of the premises was transferred to the Company.

On October 6, 2022, the Company entered into a sublease agreement to sublease 7,216 square feet of space currently rented by the Company at 65 Grove Street, Watertown, Massachusetts. The sublease commenced on October 24, 2022, when the Company, the sublessee and BRE-BMR Grove LLC, executed a Consent to Sublease. The term of the sublease expires on March 31, 2024 with no option to extend the sublease term. Sublease income is included within other income, net in the consolidated statements of operations and comprehensive income (loss).

As a result of the sublease agreement and Consent to Sublease, rent payments to BRE-BMR Grove LLC for the lease of the office space increased. The change of consideration in the contract was accounted for as a lease modification and the right-of-use asset and lease liability were remeasured at the modification date of October 24, 2022. The discount rate of 11.9% was determined based on the Company's incremental borrowing rate adjusted for the lease term including any reasonably certain renewal periods as of October 24, 2022, resulting in a decrease of less than $0.1 million to both the right-of-use asset and lease liabilities.

In May 2023, the Company received notice from BRE-BMR Grove LLC that the requirements to reduce the amount of the letter of credit for the Watertown Lease had been met. In connection therewith, in June 2023, the Company secured a letter of credit from JPMorgan Chase Bank, N.A. for $1.4 million, which is recognized as long-term restricted cash as of December 31, 2023, and renews automatically each year. The $1.6 million letter of credit with SVB was released from restriction and returned to the Company on July 17, 2023, and therefore was reclassified into cash and cash equivalents in the consolidated balance sheets.

On October 31, 2023, in connection with entering into Amendment No. 1 to the License and Development Agreement with Sobi as described in Note 14, the Company entered into a sublease agreement with Sobi to sublease approximately 5,600 square feet of space currently rented by the Company at 65 Grove Street, Watertown, Massachusetts for which Sobi paid $1.0 million upfront rental payment. The sublease commenced on November 6, 2023, when the Company, Sobi, and BRE-BMR Grove LLC, executed a Consent to Sublease. The term of the sublease expires on November 5, 2024 with no option to extend the sublease term. As of December 31, 2023, deferred rent of $0.8 million is included within accrued expenses and other current liabilities in the consolidated balance sheets.

During the year ended December 31, 2023, the Company determined that the right-of-use asset related to the operating lease for approximately 7,216 square feet at 65 Grove Street was partially impaired as of November 30, 2023. As a result, the Company recognized a $0.7 million right-of-use asset impairment charge with $0.6 million and $0.1 million recognized in research and development and general and administrative operating expense categories, respectively, on its consolidated statements of operations and comprehensive income (loss) during the year ended December 31, 2023.

704 Quince Orchard Road Leases

In connection with the Merger, the Company acquired two operating leases for office and laboratory space in Gaithersburg, Maryland. The leases expire in January 2027 and do not contain any renewal rights. The discount rate of 11.5% was determined based on the Company's incremental borrowing rate adjusted for the lease term.

Moscow, Russia Lease

The Company has a month-to-month facility agreement for Selecta (RUS)'s Moscow, Russia office. Rent expense is recognized as incurred.

Rent expense for the years ended December 31, 2023, 2022 and 2021 was $3.8 million, $3.2 million, and $2.9 million, respectively.

For the years ended December 31, 2023, 2022 and 2021, the components of lease costs were as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	$ 2,828	$ 2,276	$ 2,023
Variable lease cost	965	910	834
Short-term lease cost	8	11	10
Less sublease income	(1,172)	(176)	—
Total lease cost	$ 2,629	$ 3,021	$ 2,867

The maturity of the Company's operating lease liabilities as of December 31, 2023 were as follows (in thousands):

	December 31, 2023
2024	$ 3,077
2025	3,164
2026	3,248
2027	3,017
2028	946
Thereafter	—
Total future minimum lease payments	13,452
Less: Imputed interest	2,497
Total operating lease liabilities	$ 10,955

The supplemental disclosure for the statement of cash flows related to operating leases were as follows (in thousands):

	December 31,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:	$ 2,696	$ 2,048

Other than the initial recording and modification of the right-of-use asset and lease liability for the Watertown Lease during the year ended December 31, 2022 and the impairment on the right-of-use asset for the Watertown Lease and the assumption of the right-of-use assets and lease liabilities in connection with the Merger during the year ended December 31, 2023, which were non-cash, the changes in the Company's right-of-use asset and lease liability for the years ended December 31, 2023 and 2022 are reflected in the non-cash lease expense and accrued expenses and other liabilities, respectively, in the consolidated statements of cash flows.

The following summarizes additional information related to operating leases:

	December 31,	
	2023	2022
Weighted-average remaining lease term	4.3 years	5.4 years
Weighted-average discount rate	9.9 %	9.7 %

10. Debt

2020 Term Loan

On August 31, 2020, the Company entered into a Loan and Security Agreement with Oxford Finance LLC, or Oxford, and Silicon Valley Bank, or the Loan and Security Agreement, and such facility, the 2020 Term Loan. On March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, and the Federal Deposit Insurance Corporation, or the FDIC, was appointed as receiver. On March 13, 2023, the FDIC announced that all of Silicon Valley Bank's deposits and substantially all of its assets had been transferred to a newly created, full-service, FDIC-operated bridge bank, Silicon Valley Bridge Bank, N.A., or SVBB. SVBB assumed all loans that were previously held by Silicon Valley Bank. On March 27, 2023, First-Citizens Bank & Trust Company assumed all of SVBB's customer deposits and certain other liabilities and acquired substantially all of SVBB's loans and certain other assets from the FDIC, including the 2020 Term Loan.

On September 11, 2023, the Company entered into a payoff letter with Oxford and SVB, pursuant to which the Company paid all outstanding amounts under the 2020 Term Loan, together with accrued interest and a prepayment penalty, resulting in the full extinguishment of the 2020 Term Loan. The total payoff amount was $22.3 million, consisting of the remaining

principal amount due of $19.8 million, the final payment fee of $2.3 million, the prepayment penalty of $0.2 million, and less than $0.1 million of accrued interest.

During the year ended December 31, 2023, the Company recorded a loss of $0.7 million on the extinguishment of the 2020 Term Loan, consisting of the prepayment penalty of $0.2 million and the write-off of $0.5 million of unamortized debt issuance costs and venture debt termination fee, which was included within interest expense in the consolidated statements of operations and comprehensive income (loss).

As of December 31, 2023, the Company had no outstanding borrowings, and as of December 31, 2022, the outstanding principal balance under the 2020 Term Loan was $25.0 million.

During the years ended December 31, 2023, 2022 and 2021, the Company recognized $2.1 million, $3.0 million and $2.8 million respectively of interest expense related to the 2020 Term Loan.

11. Series A Preferred Stock

The Certificate of Designation was filed on November 13, 2023, which provided for the designation of shares of the Series A Preferred Stock and authorized the issuance of 548,375 shares of Series A Preferred Stock.

Additionally on November 13, 2023, the Company entered into the Securities Purchase Agreement with (i) Dr. Timothy A. Springer, a member of the Company's Board of Directors; (ii) TAS Partners LLC, an affiliate of Dr. Springer, and (iii) Seven One Eight Three Four Irrevocable Trust, a trust associated with Dr. Murat Kalayoglu, a co-founder and the former chief executive officer of Old Cartesian, who joined the Company's Board of Directors effective immediately after the effective time of the Merger, or the Investors. Pursuant to the Securities Purchase Agreement, the Company agreed to issue and sell an aggregate of 149,330.115 shares of Series A Preferred Stock for an aggregate purchase price of $60.25 million in the November 2023 Private Placement.

In the November 2023 Private Placement Dr. Timothy A. Springer agreed to settle his purchases in three tranches of shares of Series A Preferred Stock, the first for a purchase price of $10.0 million and each thereafter for a purchase price of approximately $20.0 million, with the three tranches settling 30, 60, and 90 days, respectively, following the Closing Date. TAS Partners LLC agreed to settle its purchase for approximately $10.0 million within 30 days following the Closing Date. The first, second and third tranches were settled on December 13, 2023, January 12, 2024 and February 11, 2024, respectively, under which (i) 24,785.081 shares of Series A Preferred Stock were issued to each of TAS Partners LLC and Dr. Timothy A. Springer in the first tranche, (ii) 49,570.163 shares of Series A Preferred Stock were issued to Dr. Timothy A. Springer in the second tranche, and (iii) 49,570.163 shares of Series A Preferred Stock were issued to Dr. Timothy A. Springer in the third tranche. On November 15, 2023, the Company issued 619.627 shares of Series A Preferred Stock to Seven One Eight Three Four Irrevocable Trust for $0.25 million.

The Company determined the obligation to issue 148,710.488 shares of Series A Preferred Stock to Dr. Springer and TAS Partners LLC represented a forward contract and was accounted for as a liability with changes in fair value recorded in earnings. A portion of the liability was settled with the initial issuance of 49,570.162 shares of Series A Preferred Stock on December 13, 2023 (see Note 6).

On December 5, 2023, the Company issued 384,930.724 shares of Series A Preferred Stock as part of its consideration transferred in connection with the Merger which settled the related forward contract liability (see Note 6).

As of December 31, 2023, the Company had 435,120.513 shares of Series A Preferred Stock issued and outstanding.

In accordance with the guidance in ASC 480, *Distinguishing Liabilities from Equity* the Series A Preferred Stock is classified outside of stockholders' equity because the shares of Series A Preferred Stock contain redemption features that are not solely within the control of the Company. The Series A Preferred Stock is not currently redeemable, nor is it probable that the instrument will become redeemable, as it is only redeemable upon the occurrence of a contingent event. Accordingly, no accretion has been recognized for the Series A Preferred Stock and it will not be accreted until it is probable that the shares of Series A Preferred Stock will become redeemable.

The Series A Preferred Stock had the following rights and preferences as of December 31, 2023:

Conversion

Prior to the stockholder approval of the Conversion Proposal, the Series A Preferred Shares are not convertible. Following the stockholder approval of the Conversion Proposal, each share of Series A Preferred Stock will automatically convert into 1,000 shares of common stock, subject to certain limitations, including that a holder of Series A Preferred Stock is prohibited from converting shares of Series A Preferred Stock into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (to be established by the holder between 0% and 19.9%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such

conversion; provided, however, that such beneficial ownership limitation does not apply to Dr. Springer, TAS Partners LLC, or any of their respective affiliates.

Each share of Series A Preferred Stock outstanding that is not otherwise automatically converted into common stock as a result of the beneficial ownership limitation shall be convertible at any time at the option of the holder following stockholder approval of the Conversion Proposal, only to the extent the beneficial ownership limitation does not apply to the shares of Series A Preferred Stock to be converted.

Redemption

Each share of Series A Preferred Stock will be redeemable at the option of the holder at any time following the date that is 18 months after the initial issuance date of the Series A Preferred Stock, other than any shares of Series A Preferred Stock that would not be convertible into shares of common stock as a result of the beneficial ownership limitation referred to above. The amount payable upon redemption will be equal to the average closing sale price of the common stock listed over the ten consecutive trading days ending on, and including, the day immediately prior to the redemption date multiplied by the number of shares of common stock the Series A Preferred Stock would be convertible into.

Dividends

Holders of Series A Preferred Stock are entitled to receive dividends on shares of Series A Preferred Stock on an as-converted basis equal to the dividends paid on shares of the common stock; provided, however, that holders of Series A Preferred Stock (or any shares of common stock into which the Series A Preferred Stock are convertible) are not entitled to any CVRs or any amounts paid under the CVR Agreement.

Voting

Except as otherwise required by law, the Series A Preferred Stock does not have voting rights. However, as long as any shares of Series A Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then-outstanding shares of the Series A Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock, (b) alter or amend the Certificate of Designation, (c) amend the Charter or other organizational documents in any manner that adversely affects any rights of the holders of Series A Preferred Stock, (d) issue further shares of Series A Preferred Stock (other than in connection with the exercise of the stock options to purchase Series A Preferred Stock) or increase or decrease (other than by conversion) the number of authorized shares of Series A Preferred Stock, (e) prior to the stockholder approval of the Conversion Proposal or at any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, consummate either (A) a Fundamental Transaction (as defined in the Certificate of Designation) or (B) any merger or consolidation of the Company or other business combination in which the stockholders of the Company immediately before such transaction do not hold at least a majority of the capital stock of the Company immediately after such transaction, (f) amend or fail to comply with, in any manner that would be reasonably likely to prevent, impede or materially delay the conversion (or the stockholder approval thereof), or terminate, any of the stockholder support agreements entered into in connection with the Merger, or the Support Agreements, or agree to any transfer, sale or disposition of such shares subject to the Support Agreements (except for such transfers, sales or dispositions with respect to which the approval of the Company is not required pursuant to the applicable Support Agreement) or (g) enter into any agreement with respect to any of the foregoing.

Liquidation

The holders of Series A Preferred Stock shall rank on parity with the common stockholders as to distributions of assets upon liquidation, dissolution or winding up of the Company, whether voluntarily or involuntarily.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary each holder of Series A Preferred Stock shall be entitled to receive out the assets of the Company equal to of the same amount that a holder of common stock would receive if the Series A Preferred Stock were fully converted, which shall be paid pari passu with holders of common stock, plus an amount equal to any dividends declared but unpaid. If the assets available for distribution are not sufficient to pay the holders of the Series A Preferred Stock pursuant to the preceding sentence, the assets will be distributed ratably to the holders of the Series A Preferred Stock and common stock.

Reserved Shares

As of December 31, 2023, the Company has authorized shares of Series A Preferred Stock for future issuance as follows:

	As of December 31, 2023
Shares reserved for issuance in November 2023 Private Placement	99,140.326
Outstanding Series A Preferred Stock options	14,112.299
Total	113,252.625

12. Equity

Equity Financings

Merger

On December 5, 2023, the Company issued 6,723,639 shares of common stock as part of its consideration transferred in connection with the Merger which settled the related equity-classified forward contract (see Note 3).

Underwritten Offering

On April 6, 2022, the Company entered into an underwriting agreement with SVB Securities LLC (now known as Leerink Partners LLC), as representative of the several underwriters named therein, relating to an underwritten offering of 27,428,572 shares of the Company's common stock and 2022 Warrants to purchase up to 20,571,429 shares of common stock. The offering of such shares and the 2022 Warrants is referred to as the 2022 Offering. Each share and accompanying 2022 Warrant to purchase 0.75 shares of common stock was sold at a combined offering price of $1.41. The exercise price for the 2022 Warrants is $1.55 per share. The Company received net proceeds from the 2022 Offering of approximately $36.9 million.

The 2022 Warrants are subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common stock and also upon any distributions for no consideration of assets to the Company's stockholders. Each 2022 Warrant is exercisable at any time and from time to time after issuance. In the event of certain corporate transactions, the holders of the 2022 Warrants will be entitled to receive the kind and amount of securities, cash or other property that the holders would have received had they exercised the Warrants immediately prior to such transaction. Therefore, the Company is required to account for the 2022 Warrants as liabilities and record the 2022 Warrants at fair value. The 2022 Warrants do not entitle the holders thereof to any voting rights or any of the other rights or privileges to which holders of Common Stock are entitled.

"At-the-Market" Offerings

2020 Sales Agreement

On August 6, 2020, the Company entered into a sales agreement, or the 2020 Sales Agreement with Jefferies LLC, as sales agent, pursuant to which the Company was permitted, from time to time, to issue and sell common stock with an aggregate value of up to $50.0 million in an "at the market offering." On October 8, 2021, the Company delivered notice to Jefferies LLC that the Company was terminating the 2020 Sales Agreement, with effect as of October 19, 2021.

2021 Sales Agreement

On October 25, 2021, the Company entered into a Sales Agreement, or the 2021 Sales Agreement, with Leerink Partners LLC (then known as SVB Leerink LLC), or Leerink Partners, pursuant to which the Company may sell shares of the Company's common stock, from time to time, through an "at the market" equity offering program under which Leerink Partners will act as sales agent. The shares of common stock sold pursuant to the 2021 Sales Agreement, if any, would be issued and sold pursuant to a registration statement to be filed by the Company with the SEC, for aggregate remaining gross sales proceeds of up to $51.0 million.

During the year ended December 31, 2023, the Company sold no shares of its common stock pursuant to the 2021 Sales Agreement. During the year ended December 31, 2022, the Company sold 774,544 shares of its common stock pursuant to the 2021 Sales Agreement for aggregate net proceeds of $2.1 million, after deducting commissions and other transaction costs.

June 2020 Sobi Stock Purchase

On June 11, 2020, the Company entered into a stock purchase agreement with Sobi, pursuant to which the Company sold an aggregate of 5,416,390 shares of its common stock at a purchase price equal to $4.6156 per share, which represented 120% of the 10-day volume-weighted average price of the Company's common stock prior to signing, for aggregate gross proceeds of $25.0 million, or the Sobi Private Placement. The closing of the Sobi Private Placement occurred on July 31, 2020.

In accordance with ASC 815, this forward sale treatment qualified as equity classification as the shares are not within the scope of ASC 480. The gross proceeds of $25.0 million were determined to include a premium to the fair value of the Company's shares as of July 28, 2020 of approximately $14.5 million. As a result, such amount was included in the transaction price for revenue recognition of the Sobi License. See Note 14 for details.

Also on June 11, 2020, the Company entered into a registration rights agreement, as amended by that certain letter agreement, dated as of November 4, 2020, or the Sobi Registration Rights Agreement, with Sobi, pursuant to which the Company agreed to prepare and file a registration statement with respect to the resale of the shares of common stock acquired in the Sobi Private Placement. The Company will be required to file this resale registration statement within 30 days following receipt by the Company of a written request from Sobi to file such resale registration statement, and to have the registration

statement declared effective within ten business days after the SEC informs the Company that no review of such resale registration statement will be made or that the SEC has no further comments on such resale registration statement.

December 2019 Financing

On December 18, 2019, the Company entered into a securities purchase agreement, or the 2019 Purchase Agreement, with a group of institutional investors and certain members of the Board of Directors. Pursuant to the 2019 Purchase Agreement, the Company sold an aggregate of 37,634,883 shares of its common stock at a purchase price of $1.46 per share, warrants to purchase an aggregate of 22,988,501 shares of common stock at a purchase price of $0.125 per share underlying each common warrant, and pre-funded warrants to purchase an aggregate of 8,342,128 shares of common stock at a purchase price of $1.46 per share, all with five year terms, or the 2019 PIPE. The closing of the 2019 PIPE occurred on December 23, 2019. The exercise price of the pre-funded warrants is $0.0001 per share and the exercise price for the common warrants is $1.46 per share. In the event of a certain sale of the Company, the terms of the common warrants require us to make a payment to such common warrant holders based on a Black-Scholes valuation (using variables as specified in the warrants). This provision does not apply to the pre-funded warrants. Therefore, the Company is required to account for the common warrants as liabilities and record them at fair value, while the pre-funded warrants met the criteria to be classified as permanent equity.

The Company recorded the fair value of the 2019 Warrants of $40.7 million upon issuance using the Black-Scholes valuation model. Issuance costs were allocated between the equity component with an offset to additional paid-in capital and the liability component recorded as expense on a relative fair value basis. Total net proceeds from the equity offering was $65.6 million, after deducting transaction costs and commissions of $4.4 million.

As discussed in Note 6, the Company remeasured the Amended 2019 Warrants at the fair value of $0.8 million on December 20, 2022 and reclassified this amount to additional paid-in capital.

The remaining 2019 Warrants liability and the 2022 Warrants liability were revalued as of December 31, 2023 at $6.4 million. During the years ended December 31, 2023, 2022 and 2021, the Company recorded a decrease of $12.7 million and $20.9 million and an increase of $2.3 million, respectively, in the fair value of the warrants in the consolidated statements of operations and comprehensive income (loss).

June 2017 Financing

In June 2017, the Company entered into a securities purchase agreement, or the Institutional Purchase Agreement, with certain institutional investors and a securities purchase agreement with Timothy A. Springer, Ph.D., a member of the Board of Directors, or the Springer Purchase Agreement, for a private placement of the Company's securities, or the 2017 PIPE. Pursuant to the Institutional Purchase Agreement, the Company sold an aggregate of 2,750,000 shares of its common stock at a purchase price equal to $16.00 per share. Pursuant to the Springer Purchase Agreement, the Company sold to Dr. Springer an aggregate of 338,791 shares of common stock at a purchase price equal to $17.71 per share, which was equal to the most recent consolidated closing bid price on the Nasdaq Stock Market on June 23, 2017, and warrants to purchase up to 79,130 shares of common stock, or the Warrant Shares, exercisable at $17.71 per Warrant Share, and with a term of five years. The equity-classified warrants expired during the year ended December 31, 2022.

Warrants

The following is a summary of warrant activity for the years ended December 31, 2023 and 2022:

	Number of Warrants			Weighted average exercise price
	Equity classified	Liability classified	Total	
Outstanding at December 31, 2021	292,469	10,443,511	10,735,980	$ 1.62
Issuance	—	20,571,429	20,571,429	1.55
Canceled	(79,130)	—	(79,130)	$ 17.71
Reclassification of warrant liability to equity on modification	2,022,987	(2,022,987)	—	$ 1.46
Outstanding at December 31, 2022	2,236,326	28,991,953	31,228,279	$ 1.53
Canceled	(3,576)	—	(3,576)	16.77
Outstanding at December 31, 2023	2,232,750	28,991,953	31,224,703	$ 1.53

Common Stock

As of December 31, 2023, the Company had 350,000,000 shares of common stock authorized for issuance, $0.0001 par value per share, with 161,927,821 shares issued and outstanding. The voting, dividend and liquidation rights of the common stockholders are subject to and qualified by the rights, powers and preferences of the preferred stock. The common stock has the following characteristics:

Voting

Common stockholders are entitled to one vote for each share of common stock held with respect to all matters voted on by the stockholders of the Company.

Dividends

Common stockholders are entitled to receive dividends, if and when declared by the Board of Directors. Through December 31, 2023, no cash dividends have been declared or paid on common stock.

Liquidation

Upon liquidation of the Company, common stockholders are entitled to receive all assets of the Company available for distribution to such stockholders.

Reserved Shares

The Company has authorized shares of common stock for future issuance as follows:

	As of December 31, 2023
Exercise of warrants	31,224,703
Shares available for future stock incentive awards	35,836,268
Outstanding common stock options	23,306,661
Total	90,367,632

As described in Note 11, prior to the stockholder approval of the Conversion Proposal, the Series A Preferred Shares are not convertible. Following the stockholder approval of the Conversion Proposal, each share of Series A Preferred Stock will automatically convert into 1,000 shares of common stock.

13. Stock Incentive Plans

The Company maintained the 2008 Stock Incentive Plan, or the 2008 Plan, for employees, consultants, advisors, and directors. The 2008 Plan provided for the granting of incentive and non-qualified stock option and restricted stock awards as determined by the Board. In connection with the Merger, all outstanding awards issued under the 2008 Plan were cancelled, and the Board formally terminated the 2008 Plan.

In June 2016, the Company's stockholders approved the 2016 Incentive Award Plan, or the 2016 Plan, which authorized 1,210,256 shares of common stock for future issuance under the 2016 Plan and the Company ceased granting awards under the 2008 Plan. Upon the effective date of the 2016 Plan, awards issued under the 2008 Plan remained subject to the terms of the 2008 Plan. Awards granted under the 2008 Plan that expired, lapsed or terminated became available under the 2016 Plan as shares available for future grants.

Additionally, pursuant to the terms of the 2016 Plan, the Board is authorized to grant awards with respect to common stock, and may delegate to a committee of one or more members of the Board or executive officers of the Company the authority to grant options and restricted stock units. On December 9, 2020, the Board established a Stock Option Committee authorized to grant awards to certain employees and consultants subject to conditions and limitations within the 2016 Plan. In January 2023 and 2022, the number of shares of common stock that may be issued under the 2016 Plan was increased by 6,121,697 and 4,944,919 shares, respectively. As of December 31, 2023, 22,504,503 shares remain available for future issuance under the 2016 Plan.

In September 2018, the Company's 2018 Employment Inducement Incentive Award Plan, or the 2018 Inducement Incentive Award Plan was adopted by the Board without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Stock Market LLC listing rules, which authorized 1,175,000 shares of its common stock for issuance. In March 2019, the Board approved an amendment and restatement of the 2018 Inducement Incentive Award Plan to reserve an additional 2,000,000 shares of the Company's common stock for issuance thereunder. In December 2023, the Board approved an amendment and restatement of the 2018 Inducement Incentive Award Plan to reserve an additional 1,825,000 shares of the Company's common stock for issuance thereunder. As of December 31, 2023, there are 4,500,858 shares available for future grant under the 2018 Inducement Incentive Award Plan.

In accordance with the Merger Agreement, the Company assumed Old Cartesian's 2016 Stock Incentive Plan, or the Old Cartesian Plan. The Old Cartesian Plan permits the granting of options or restricted stock to employees, officers, directors, consultants and advisors to the Company. The unvested common stock options and Series A Preferred Stock options assumed by the Company in connection with the Merger generally vest over a four-year period. Additionally, the stock options granted

have a contractual term of ten years and only full shares can be exercised as per the individual award agreements. As of December 31, 2023, there are 3,848,809 shares available for future grant under the Old Cartesian Plan.

In connection with the Merger, the outstanding stock options to purchase Old Cartesian common stock were converted into stock options to purchase 23,306,661 shares of common stock and 14,112.299 shares of Series A Preferred Stock of the Company. These replacement awards were revalued at their acquisition-date fair value and then attributed to pre and post-combination service. This resulted in $2.6 million attributed to post-combination service to be recognized as stock-based compensation expense over the remaining terms of the replacement awards, of which $0.2 million was recognized as research and development expense in the consolidated statements of operations and comprehensive (loss) income during the year ended December 31, 2023.

Settlement of Equity Compensation Awards

Upon consummation of the First Merger, the equity compensation awards of the Company outstanding as of the date of the Merger were settled as follows: (i) each unvested option to acquire shares of common stock and each unvested restricted stock unit award with respect to shares of common stock was accelerated and vested in full at the effective time of the First Merger; (ii) each option to acquire shares of common stock was canceled and in exchange therefore, former holders became entitled to receive an amount in cash equal to the product of (A) the total number of shares of common stock subject to the unexercised portion the stock option (determined after giving effect to the accelerated vesting) multiplied by (B) the excess, if any, of $2.06, or the Cash-out Amount, over the applicable exercise price per share of common stock under such stock option; and (iii) each restricted stock unit award with respect to shares of common stock was cancelled and the former holder of such canceled restricted stock unit became entitled, in exchange therefor, to receive an amount in cash equal to the product of (A) the total number of shares of common stock deliverable under such restricted stock unit (determined after giving effect to the accelerated vesting) multiplied by (B) the Cash-out Amount. Stock options with an exercise price in excess of the Cash-out Amount received no cash payment.

The modification to accelerate the vesting of all awards upon the Merger resulted in full recognition of unrecognized compensation of $13.1 million, of which $5.9 million and $7.2 million was classified as research and development expense and general and administrative expense, respectively, in the consolidated statements of operations and comprehensive (loss) income. In addition, with the exception of any options with an exercise price greater than $2.06 per share, all awards were settled in cash for an amount equal to $2.06 less any exercise price associated with the awards. The total cash payment made to the holders of stock options and restricted stock units was $9.4 million. The fair value of the awards prior to the settlement was recorded to additional paid-in capital in an amount of $6.2 million and the amount in excess of fair value was recognized as additional stock-based compensation expense in an amount of $3.2 million, of which $1.5 million and $1.7 million was classified as research and development expense and general and administrative expense, respectively, in the consolidated statements of operations and comprehensive (loss) income.

Stock-Based Compensation Expense

Stock-based compensation expense by classification included within the consolidated statements of operations and comprehensive income (loss), including $1.5 million recognized as stock-based compensation expense upon the achievement of a technical milestone by Ginkgo Bioworks Holdings, Inc., or Ginkgo, during the year ended December 31, 2023 and $1.0 million recognized as stock-based compensation expense upon the issuance of common stock to Ginkgo during the year ended December 31, 2022 as described in Note 16, was as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Research and development	$ 12,985	$ 5,061	$ 3,204
General and administrative	12,793	6,133	4,516
Total stock-based compensation expense	$ 25,778	$ 11,194	$ 7,720

Stock Options

The fair value of the stock options assumed in connection with the Merger was calculated using a Black-Scholes option pricing model based on the following weighted-average assumptions:

	Common Stock	Series A Preferred Stock
Risk-free interest rate	4.83 %	4.92 %
Dividend yield	—	—
Expected term	3.59	3.29
Expected volatility	83.77 %	83.87 %
Weighted-average fair value of common stock or Series A Preferred Stock, as applicable	$ 0.40	$ 403.47

The estimated grant date fair values of employee stock option awards granted under the 2016 Plan and the 2018 Inducement Incentive Award Plan were calculated using the Black-Scholes option pricing model, based on the following weighted-average assumptions:

	Year Ended December 31,		
	2023	2022	2021
Risk-free interest rate	3.95 %	2.24 %	0.79 %
Dividend yield	—	—	—
Expected term	5.94	6.02	6.03
Expected volatility	94.64 %	92.21 %	95.04 %
Weighted-average fair value of common stock	$ 1.15	$ 2.63	$ 3.58

The expected term of the Company's stock options granted to employees has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. Under the simplified method, the expected term is presumed to be the midpoint between the vesting date and the end of the contractual term. The Company utilizes this method due to lack of historical exercise data and the plain nature of its stock-based awards. Expected volatilities are based on the Company’s historical volatility.

The weighted average grant date fair value of stock options granted to employees during the years ended December 31, 2023, 2022 and 2021 was $0.90, $1.99, and $2.73 respectively.

As of December 31, 2023, total unrecognized compensation expense related to unvested common stock options and Series A Preferred Stock options was $1.4 million and $1.0 million, respectively, which is expected to be recognized over a weighted average period of 2.4 years and 2.5 years, respectively.

The following table summarizes the stock option activity under the 2008 Plan, the 2016 Plan, the 2018 Inducement Incentive Award Plan, and Old Cartesian Plan for options for common stock:

	Number of Common Stock options	Weighted-average exercise price ($)	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Employees				
Outstanding at December 31, 2022	15,578,412	$ 3.44	7.57	$ 4
Granted	5,477,200	$ 1.15		
Assumed in connection with Merger	23,306,661	$ 0.10		
Exercised	—	$ —		
Forfeited	(2,215,020)	$ 2.68		
Cancelled/settled in connection with the Merger	(18,840,592)	$ 2.86		
Outstanding at December 31, 2023	23,306,661	$ 0.10	6.50	$ 13,760
Vested at December 31, 2023	18,067,999	$ 0.10	6.13	$ 10,725
Vested and expected to vest at December 31, 2023	23,306,661	$ 0.10	6.50	$ 13,760
Non-employee consultants				
Outstanding at December 31, 2022	266,239	$ 8.05	5.08	$ —
Forfeited	—	$ —		
Cancelled/settled in connection with the Merger	(266,239)	$ 8.05		
Outstanding at December 31, 2023	—	$ —	—	$ —

The following table summarizes the stock option activity under the Old Cartesian Plan for options for Series A Preferred Stock:

	Number of Series A Preferred Stock options	Weighted-average exercise price ($)	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Employees				
Outstanding at December 31, 2022	—	$ —	—	$ —
Assumed in connection with Merger	14,112.299	$ 79.94		
Outstanding at December 31, 2023	14,112.299	$ 79.94	5.91	$ 8,601
Vested at December 31, 2023	10,860.441	$ 71.67	5.15	$ 6,709
Vested and expected to vest at December 31, 2023	14,112.299	$ 79.94	5.91	$ 8,601

Restricted Stock Units

During the year ended December 31, 2023, the Company granted 1,054,600 restricted stock awards with a weighted average fair value of $1.13 per share based on the closing price of the Company's common stock on the date of grant to employees under the 2016 Plan, which vested over a four-year term . Forfeitures are estimated at the time of grant and are adjusted, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company has estimated a forfeiture rate of 10% for restricted stock awards to employees based on historical experience.

There was no unrecognized compensation expense and no outstanding restricted stock units as of December 31, 2023.

The following table summarizes the Company's restricted stock units under the 2016 Plan and 2018 Inducement Incentive Award Plan:

	Number of shares	Weighted average grant date fair value ($)
Unvested at December 31, 2022	1,705,558	$ 2.62
Granted	1,054,600	1.13
Vested	(636,418)	2.40
Forfeited	(446,108)	1.91
Cancelled/settled in connection with the Merger	(1,677,632)	1.96
Unvested at December 31, 2023	—	$ —

Employee Stock Purchase Plan

In June 2016, the Company approved the 2016 Employee Stock Purchase Plan, or the ESPP, which authorized 173,076 shares of common stock for future issuance under the ESPP to participating employees. In January 2023 and 2022, the number of shares of common stock authorized for issuance under the ESPP was increased by 1,530,424 shares and 1,236,229 shares, respectively. During the year ended December 31, 2023, the Company issued 186,044 shares of common stock under the ESPP. As of December 31, 2023, 4,982,098 shares remain available for future issuance under the ESPP. In connection with the Merger, the Board suspended the current ESPP offering period.

For each of the years ended December 31, 2023 and 2022, the Company recognized $0.1 million of stock-based compensation expense under the ESPP.

14. Revenue Arrangements

Astellas Gene Therapies

In January 2023, the Company entered into the Astellas Agreement, with Astellas. Under the Astellas Agreement, the Company granted Astellas an exclusive license to the Company's IdeXork technology arising from Xork, to develop and commercialize Xork for use in Pompe disease in combination with an Astellas gene therapy investigational or authorized product. Xork, Genovis' IgG Protease, is licensed pursuant to an Exclusive License Agreement with Genovis, or the Genovis Agreement, as described in Note 16 to these consolidated financial statements. Astellas paid a $10.0 million upfront payment to the Company upon signing of the Astellas Agreement, and the Company is entitled to receive up to $340.0 million in future additional payments over the course of the partnership that are contingent on the achievement of various development and regulatory milestones and, if commercialized, sales thresholds for annual net sales where Xork is used as a pre-treatment for an Astellas investigational or authorized product. The Company is also eligible for tiered royalty payments ranging from low to high single digits. Any proceeds received from milestone payments or royalties relating to Xork would be required to be distributed to holders of CVRs, net of certain deductions.

Pursuant to the Astellas Agreement, the Company will have the exclusive right and responsibility to complete research and development of Xork products and to conduct all preclinical studies and clinical trials for Xork for use in Pompe disease with an Astellas gene therapy investigational or authorized product, or the Xork Development Services. Astellas will reimburse the Company for 25% of all budgeted costs incurred to complete the development of Xork for use in Pompe disease with an Astellas gene therapy investigational or authorized product. The Company will have control and responsibility over regulatory filings, including any investigational drug applications, biologics license applications, and marketing authorization applications relating to the licensed product. Astellas will have the exclusive right and responsibility to research, develop, and commercialize Astellas products used in combination with Xork and will have control and responsibility over all regulatory filings, including any investigational drug applications, biologics license applications, and marketing authorization applications, relating to Astellas products and Astellas products used in combination with Xork.

The Company determined the Astellas Agreement represents a service arrangement under the scope of ASC 606. The Company determined that the sublicense of Xork to Astellas, the licensed know-how, and the Xork Development Services represent a single promise and performance obligation to be transferred to Astellas over time due to the nature of the promises in the contract. As such, the Company will recognize the transaction price as revenue utilizing the input method to measure the progress of satisfying the single performance obligation to Astellas.

In determining the transaction price, the Company concluded the upfront payment of $10.0 million and development cost reimbursements of $5.5 million will be included in the initial transaction price. All other development milestones will be fully constrained and will only be included in the transaction price when the applicable milestone is deemed probable of achievement. Each of these variable consideration items were evaluated under the most likely amount method to determine whether such amounts were probable of occurrence, or whether such amounts should be constrained until they become probable. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt and timing of such development milestones is outside the control of the Company and probability of success criteria is estimated. The Company will re-evaluate the transaction price in each reporting period, as uncertain events are resolved, or as other changes in circumstances occur. In accordance with ASC 606, the Company will only recognize revenue associated with sales-based milestones and royalties when the subsequent sales thresholds are reached and underlying sales occur, respectively. The Company determined that a significant financing component does not exist in its arrangement with Astellas. The Company also determined the options to negotiate additional fields, enter into a clinical supply agreement, and enter into a commercial supply agreement do not represent material rights under the Astellas Agreement. Astellas has the right to terminate the Astellas Agreement in its entirety or on a field-by-field basis, upon 90 days' written notice to the Company.

As of December 31, 2023, the Company recorded $2.3 million as a short-term contract liability and $3.5 million as a long-term contract liability, representing deferred revenue associated with the Astellas Agreement. As of December 31, 2023, the Company recorded a receivable of $0.3 million, representing billings for the Xork Development Services that are subject to

reimbursement by Astellas. Revenue of $5.5 million related to the Astellas Agreement was recognized during the year ended December 31, 2023.

Takeda Pharmaceuticals USA, Inc.

License and Development Agreement

On October 1, 2021, the Company entered into a License Agreement, or the Takeda Agreement, with Takeda. Under the Takeda Agreement, the Company granted Takeda an exclusive license to the Company's ImmTOR technology initially for two specified disease indications within the field of lysosomal storage disorders. Takeda paid a $3.0 million upfront payment to the Company upon signing of the Takeda Agreement, and the Company was entitled to receive up to $1.124 billion in future additional payments over the course of the partnership that were contingent on the achievement of development or commercial milestones or Takeda's election to continue its activities at specified development stages. The Company was also eligible for tiered royalties on future commercial sales of any licensed products.

Pursuant to the Takeda Agreement, the Company determined the Takeda Agreement represented a service arrangement under the scope of ASC 606, and given the reversion of the rights under the Takeda Agreement represented a penalty in substance for a termination by Takeda, the contract term would remain the stated term of the Takeda Agreement. The Company determined that the research license, the licensed know-how, and the manufactured supply and delivery of materials represented a single promise and performance obligation to be transferred to Takeda over time due to the nature of the promises in the contract. The delivery of the manufactured supply was the predominant promise within the arrangement, as it was essential to the utility of the licensed intellectual property. The material supplied by the Company to Takeda was unique to the Company and cannot be obtained by other vendors. As such, consideration in the initial transaction price was allocated to the single performance obligation and the recognition period would not extend beyond the initial contractual period. The Company recognized the revenue associated with the upfront payment and combined single performance obligation utilizing the output method over the term that manufactured supply was delivered to Takeda.

In determining the transaction price, the Company concluded the payment associated with all the performance milestones was fully constrained and only included in the transaction price when the respective milestone was deemed probable of achievement. Each of these variable consideration items were evaluated under the most likely amount method to determine whether such amounts were probable of occurrence, or whether such amounts should be constrained until they become probable. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt and timing of such study milestones is outside the control of the Company and probability of success criteria is estimated. The Company re-evaluated the transaction price in each reporting period, as uncertain events were resolved, or as other changes in circumstances occurred. Takeda had the right to exercise covenant release rights on a field-by-field basis. If Takeda exercised its covenant release rights, we could have received exercise payments per indication and would have been entitled to significant development and commercial milestone payments and tiered royalties on commercial sales. The Company determined that a significant financing component did not exist in its arrangement with Takeda. The Company also determined the options to negotiate additional fields, pursue other products, enter into a supply agreement explore additional fields, and pursue additional development under the initial fields did not represent material rights under the agreement. Takeda had the right to terminate the Takeda Agreement in its entirety or on a field-by-field basis, upon 90 days' written notice to the Company.

On March 9, 2023, the Company was notified by Takeda of the achievement of the milestone event related to the completion of a non-clinical milestone for one of the specified disease indications within the field of lysosomal storage disorders under the Takeda Agreement. Accordingly, the Company received a milestone payment of $0.5 million during the year ended December 31, 2023.

The Takeda Agreement was terminated effective July 25, 2023, following Takeda's decision to discontinue discovery and pre-clinical activities in adeno-associated virus, or AAV, gene therapy.

As of December 31, 2023, the Company recorded no contract liability. As of December 31, 2022, the Company recorded $0.1 million as a short-term contract liability and no long-term contract liability representing deferred revenue associated with this agreement. Revenue of $0.6 million and $1.8 million related to the Takeda Agreement was recognized during the years ended December 31, 2023 and 2022, respectively.

Swedish Orphan Biovitrum

License and Development Agreement

On June 11, 2020, the Company and Sobi entered into a License and Development Agreement. Pursuant to the Sobi License, the Company agreed to grant Sobi an exclusive, worldwide (except as to Greater China) license to develop, manufacture and commercialize the SEL-212 drug candidate, which is currently in development for the treatment of chronic refractory gout. The SEL-212 drug candidate is a pharmaceutical composition containing a combination of SEL-037, or the Compound, and ImmTOR. Pursuant to the Sobi License, in consideration of the license, Sobi agreed to pay the Company a one-time, upfront payment of $75.0 million. Sobi has also agreed to make milestone payments totaling up to $630.0 million to the Company upon the achievement of various development and regulatory milestones and, if commercialized, sales thresholds for

annual net sales of SEL-212, and tiered royalty payments ranging from the low double digits on the lowest sales tier to the high teens on the highest sales tier. Any proceeds received from milestone payments or royalties relating to the Sobi License would be required to be distributed to holders of CVRs, net of certain deductions.

Pursuant to the Sobi License, the Company agreed to supply (at cost) quantities of the Compound and ImmTOR as necessary for completion of the two Phase 3 clinical trials of SEL-212 (DISSOLVE I and DISSOLVE II) and a six-month placebo extension. The Company was required to supply quantities of the Compound until all rights to the Compound and any materials needed to manufacture the Compound were transferred to Sobi, which transfer occurred upon the execution of Amendment No. 1 to the License and Development Agreement on October 31, 2023. Sobi has agreed to reimburse the Company for all budgeted costs incurred to complete development of SEL-212, including but not limited to costs incurred while conducting and completing the Phase 3 DISSOLVE trials, except for any costs of additional development activities required that are related to ImmTOR and that are unrelated to SEL-212. Sobi will have control and responsibility over all regulatory filings, including any investigational drug applications (IND), biologics license applications (BLA), and marketing authorization applications (MAA) relating to the licensed product.

The transactions contemplated by the Sobi License were consummated on July 28, 2020. Sobi may terminate the Sobi License for any reason upon 180 days' written notice to the Company, whereby all rights granted under the Sobi License would revert back to the Company. In addition, if Sobi were to terminate the Sobi License, the Company has the option to obtain a license to all patents and know-how necessary to exploit SEL-212 in existence as of the termination date from Sobi in return for making an equitable royalty payment to Sobi.

Additionally, on June 11, 2020, the Company entered into the Sobi Purchase Agreement in connection with the Sobi License. The closing of the Sobi Private Placement occurred on July 31, 2020, following the closing of the transactions contemplated under the Sobi License. See Note 12 for details.

The Company determined that the Sobi License represents a service arrangement under the scope of ASC 606. In addition, given the Sobi License and Sobi Purchase Agreement were executed contemporaneously and negotiated as a package with a single commercial objective, the Company will account for the two agreements as a single contract. The term of the Sobi License commenced upon the effective date of July 28, 2020 and will continue on a product-by-product basis until the royalty terms for each country have expired. The royalty term for a given product begins upon the first commercial sale of the product in a country and ends at the later of ten years from the first commercial sale, expiration of the last valid patent claim covering the product and expiration of all regulatory exclusivity periods for the product in a country. Given the reversion of the rights under the Sobi License represents a penalty in substance for a termination by Sobi, the contract term would remain the stated term of the Sobi License.

The Company determined that the Sobi License contains three distinct performance obligations due to the nature of the promises in the contract, which includes conducting the Phase 3 DISSOLVE trials, Sobi's option to set-up a second source supplier, and a combined obligation comprised of the delivery of the license to SEL-212, transfer of the know-how and the manufacturing and delivery of SEL-212 supply for development, or the Combined License Obligation. As the set-up of a second source supplier is optional for Sobi and the Company will be reimbursed at cost for its efforts in the subsequent set-up and technology transfer, the option for this future service was determined to be at a significant and incremental discount to its standalone selling price and treated as a material right in the arrangement, namely a distinct performance obligation.

In determining the transaction price, the Company concluded the upfront payment of $75.0 million and the $5.0 million development milestone associated with the dosing of the first patient in the Phase 3 DISSOLVE trials were included in the transaction price. All other development milestones will be fully constrained and only be included in the transaction price when the respective milestone is deemed probable of achievement. Each of these variable consideration items was evaluated under the most likely amount method to determine whether such amounts were probable of occurrence, or whether such amounts should be constrained until they become probable. As part of the evaluation of the constraint, the Company considered numerous factors, including that receipt of such milestones is outside the control of the Company and probability of success criteria is estimated. The Company re-evaluates the transaction price in each reporting period, as uncertain events are resolved. In accordance with ASC 606, the Company will only recognize revenue associated with sales-based milestones and royalties when the subsequent sales thresholds are reached and underlying sales occur, respectively. In connection with the Sobi Purchase Agreement, the Company determined that the gross proceeds of $25.0 million from the Sobi Private Placement included a premium to the fair value of the Company's shares as of July 28, 2020 equal to approximately $14.5 million. The premium amount is included in the transaction price for revenue recognition. The Company estimates and includes in the transaction price the total reimbursements to be received from Sobi for both the manufacturing and delivery of the Compound and ImmTOR as well as conducting the Phase 3 DISSOLVE trials. The Company determined that a significant financing component does not exist in its arrangement with Sobi.

The Company allocated the transaction price based on the relative standalone selling prices of the three distinct performance obligations. The Company estimated the standalone selling price of conducting the Phase 3 DISSOLVE trials by forecasting its anticipated costs and applying a margin reflective of the industry. The Company must determine the standalone

selling price of the second source supplier option by determining the discount given to Sobi multiplied by the likelihood that Sobi will exercise the option in the future. Similar to the Phase 3 program estimate, the Company estimated the discount of the option by forecasting the set-up costs and applying a margin that is reflective of the industry. As the Company will be providing the set-up and technology transfer services and the future supply at cost, the discount of the option is equal to the margin amount. The Company considered discussions with Sobi as well as probability of regulatory success of SEL-212 in determining the likelihood of exercise. The Company estimated the standalone selling price of the Combined License Obligation by utilizing a discounted cash flow model.

The Company determined that the delivery of the supply to Sobi best represents the pattern of delivery of the Combined License Obligation as the supply is essential to the utility of the license and know-how. The Company will recognize the revenue allocated to the Combined License Obligation by utilizing the output method. The Company estimated the total supply of the Compound and ImmTOR to be required during the clinical trial period and will recognize revenue as this supply is shipped for use in the clinical trials. The Company will recognize the revenue allocated to the conducting of the Phase 3 DISSOLVE trials obligation by utilizing the input method. The Company estimated the total budgeted costs to be incurred over the Phase 3 DISSOLVE trials and will recognize revenue as these costs are incurred. The Company's costs best represent the pattern of transfer as these will capture all performance of the trials completed to date and can be readily measured. The Company will recognize the revenue allocated to the second source supplier option when the future services and goods are transferred.

On June 29, 2022, the Company completed enrollment of the DISSOLVE II trial. The completion of enrollment of the DISSOLVE II trial resulted in the achievement of a development milestone and a $10.0 million payment obligation from Sobi to the Company. This amount was added to the overall transaction price and payment was received during the year ended December 31, 2022.

On October 31, 2023, the Company and Sobi entered into Amendment No. 1 to the License and Development Agreement, pursuant to which the Company granted Sobi an exclusive license to manufacture ImmTOR solely in connection with Sobi's development of SEL-212 under the License and Development Agreement and transferred certain contracts and manufacturing equipment to Sobi. Additionally, in connection with entry into the amendment, Sobi agreed to make employment offers to certain of the Company's employees engaged in ImmTOR manufacturing activities on or prior to a specified date, and the Company agreed not to terminate the employment of such employees prior to such specified date. The Company maintains no responsibilities to Sobi to manufacture, or supply Sobi with, ImmTOR under the Sobi License.

As of December 31, 2023 and 2022, the Company recorded a total outstanding receivable of $4.6 million and $5.0 million, respectively, representing billings for the Phase 3 DISSOLVE program that are subject to reimbursement by Sobi. Additionally, as of December 31, 2023 and 2022, the Company recorded a total unbilled receivable of $3.0 million and $3.2 million, respectively, representing revenue earned but not yet billed for the Phase 3 DISSOLVE program. Revenue of $19.4 million and $82.6 million related to the Sobi License was recognized during the years ended December 31, 2023 and 2022, respectively, inclusive of $1.1 million of revenue recognized from performance obligations related to prior periods as a result of the change in transaction price during the year ended December 31, 2023.

Sarepta Therapeutics, Inc.

Research License and Option Agreement

In June 2020, the Company and Sarepta Therapeutics, Inc., or Sarepta, entered into a Research License and Option Agreement, or the Sarepta Agreement. Pursuant to the Sarepta Agreement, the Company agreed to grant Sarepta a license under the Company's intellectual property rights covering the Company's antigen-specific biodegradable nanoparticle encapsulating ImmTOR to research and evaluate ImmTOR in combination with Sarepta's adeno-associated virus gene therapy technology, or gene editing technology, using viral or non-viral delivery, to treat Duchenne Muscular Dystrophy and certain Limb-Girdle Muscular Dystrophy subtypes, or the Indications. Sarepta initially had an option term of 24 months during which it could opt-in to obtain an exclusive license to further develop and commercialize the Product to treat at least one Indication, with a potential to extend the option term for an additional fee. The Company will supply ImmTOR to Sarepta for clinical supply on a cost-plus basis.

Sarepta paid a $2.0 million upfront payment to the Company upon signing of the Sarepta Agreement, and the Company is eligible to receive additional preclinical payments during the option term. If Sarepta opts-in to an exclusive license agreement, the Company could receive option exercise payments per Indication upon execution of the exclusive license, and the Company would be entitled to significant development and commercial milestone payments and tiered royalties ranging from the mid-to-high single digits based on net sales.

Pursuant to the Sarepta Agreement, the Company determined the Sarepta Agreement represents a service arrangement under the scope of ASC 606, with a 24-month contract duration. Given the reversion of the rights under the Sarepta Agreement represents a penalty in substance for a termination by Sarepta, the contract term would remain the stated term of the Sarepta Agreement.

The Company determined that the Sarepta Agreement and supply obligation including the delivery of the research license, the licensed know-how, the manufactured supply and delivery of materials represent a single promise and performance obligation to be transferred to Sarepta over time due to the nature of the promises in the contract. The delivery of the manufactured supply is the predominant promise within the arrangement, as it is essential to the utility of the licensed intellectual property. As such, consideration in the initial transaction price will be allocated to the single performance obligation based on the contractual price.

In determining the transaction price, the Company concluded the payment associated with all the performance milestones will be fully constrained and only be included in the transaction price when the respective milestone is deemed probable of achievement. Each of these variable consideration items was evaluated under the most likely amount method to determine whether such amounts were probable of occurrence, or whether such amounts should be constrained until they become probable. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt of such study milestones is outside the control of the Company and probability of success criteria is estimated.

The Company also determined the option to enter into a future commercial license agreement and extend the term of the option does not represent a material right since it was not priced at an incremental discount. Sarepta may terminate the Sarepta Agreement for any reason upon 30 days' written notice to the Company. The Sarepta Agreement contains other customary terms and conditions, including representations and warranties, covenants, termination, and indemnification obligations in favor of each party.

On April 13, 2021, the Company was notified by Sarepta of the achievement of the milestone event related to the completion of a non-clinical study for Duchenne muscular dystrophy and certain limb-girdle muscular dystrophies under the Sarepta Agreement. Accordingly, the Company received a milestone payment of $3.0 million during the three months ended June 30, 2021.

On June 10, 2022, the Company was notified by Sarepta that Sarepta would be extending their options under the Sarepta Agreement. In exchange for a nine-month extension to Sarepta's options to both Duchenne muscular dystrophy and certain limb-girdle muscular dystrophies, the Company received a milestone payment of $2.0 million during the year ended December 31, 2022.

On June 15, 2022, the Company was notified by Sarepta of the achievement of a milestone event related to certain preclinical study milestones under the Sarepta Agreement. Accordingly, the Company received a milestone payment of $4.0 million during the year ended December 31, 2022.

On March 13, 2023, the Company was notified by Sarepta that Sarepta would not be exercising its exclusive option under the Sarepta Agreement. The Sarepta Agreement terminated upon the expiration of the option in March 2023.

As of December 31, 2023, the Company recorded no contract liability. As of December 31, 2022, the Company recorded $0.5 million as a short-term contract liability representing deferred revenue associated with this agreement. Revenue of $0.5 million and $10.2 million related to the Sarepta Agreement was recognized during the years ended December 31, 2023 and 2022, respectively.

Asklepios Biopharmaceutical, Inc.

License Agreement for Pompe Disease

In December 2019, the Company and Asklepios Biopharmaceutical, Inc., or AskBio, entered into a license agreement, or the AskBio License Agreement. Pursuant to the AskBio License Agreement, AskBio exercised its option to exclusively license the Company's intellectual property rights covering the Company's ImmTOR platform to research, develop, and commercialize certain AAV gene therapy products utilizing ImmTOR, and targeting the GAA gene, or derivatives thereof, to treat Pompe Disease.

On November 18, 2022, both parties agreed to mutually terminate the AskBio License Agreement. Therefore, the remaining contract liability of $7.0 million was recognized as revenue during the period ended December 31, 2022.

Spark Therapeutics, Inc.

In December 2016, the Company entered into a license and option agreement, or the Spark License Agreement, with Spark Therapeutics, Inc., or Spark, pursuant to which the Company and Spark agreed to collaborate on the development of gene therapies for certain targets utilizing the ImmTOR platform. The Spark License Agreement provided Spark with certain exclusive, worldwide, royalty bearing licenses to the Company's intellectual property, allowing Spark to develop and commercialize gene therapies in combination with ImmTOR for Factor VIII, an essential blood clotting protein relevant to the treatment of hemophilia A, the initial target.

On January 18, 2022, both parties agreed to mutually terminate the Spark License Agreement. Therefore, the remaining contract liability of $9.2 million was recognized as revenue during the year ended December 31, 2022.

Transaction Price Allocated to Future Performance Obligations

Remaining performance obligations represent the transaction price of contracts for which work has not been performed (or has been partially performed). As of December 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was $5.8 million.

Contract Balances from Contracts with Customers (*Astellas, Takeda, Sobi, Sarepta, AskBio, and Spark*)

The following table presents changes in the Company's contract liabilities during the year ended December 31, 2023 (in thousands):

	Balance at beginning of period	Additions	Deductions	Balance at end of period
Contract liabilities:				
Deferred revenue	$ 593	$ 10,500	$ (5,244)	$ 5,849
Total contract liabilities	$ 593	$ 10,500	$ (5,244)	$ 5,849

15. Related-Party Transactions

November 2023 Securities Purchase Agreement

On November 13, 2023, the Company entered into the Securities Purchase Agreement with (i) Dr. Timothy A. Springer, (ii) TAS Partners LLC, an affiliate of Dr. Springer, and (iii) Seven One Eight Three Four Irrevocable Trust, a trust associated with Dr. Murat Kalayoglu, in which the Company agreed to issue and sell an aggregate of 149,330.115 shares of Series A Preferred Stock for an aggregate purchase price of $60.25 million (see Note 11). The November 2023 Private Placement includes a delayed settlement mechanism, and as a result, the below issuances and sales to related parties of the Company were made during the year ended December 31, 2023.

Name	Shares of Series A Preferred Stock purchased	Total aggregate purchase price
Timothy A. Springer, Ph.D.	24,785.081	$ 10,000,000
TAS Partners LLC (affiliate of Timothy A. Springer, Ph.D.)	24,785.081	$ 10,000,000
Seven One Eight Three Four Irrevocable Trust (affiliate of Murat Kalayoglu, MD, Ph.D.)	619.627	$ 250,000

April 2022 Offering

During the year ended December 31, 2022, the Company completed the 2022 Offering as described in Note 12. The following table sets forth the number of shares of Common Stock and 2022 Warrants purchased in the 2022 Offering by directors and executive officers, as of the time of the Offering, and related parties thereto:

Name	Shares of Common Stock purchased	2022 Warrants purchased	Total aggregate purchase price
TAS Partners LLC (affiliate of Timothy A. Springer, Ph.D.)	6,681,600	5,011,200	$ 9,421,056

Warrant liability reclassification

During the year ended December 31, 2022, the Company amended the terms of certain of the outstanding 2019 Warrants held by members of the Company's Board of Directors and remeasured the Amended 2019 Warrants as described in Note 6.

Consulting Services

The Company entered into consulting agreements with its founders to serve on its Scientific Advisory Board, effective January 1, 2020 to December 31, 2021, under which they were paid quarterly for their services. The Company incurred expenses for consulting services provided by its founders totaling $0.1 million during the year ended December 31, 2021. No expenses were incurred for the years ended December 31, 2023 and 2022.

16. Collaboration and License Agreements

Biogen MA, Inc.

On September 8, 2023, the Company entered into a non-exclusive, sublicensable, worldwide, perpetual patent license agreement, or the Biogen Agreement with Biogen MA, Inc., or Biogen to research, develop, make, use, offer, sell and import products or processes containing or using an engineering T-cell modified with an mRNA comprising, or encoding a protein comprising, certain sequences licensed under the Biogen Agreement for the prevention, treatment, palliation and management

of autoimmune diseases and disorders, excluding cancers, neoplastic disorders, and paraneoplastic disorders. The Company is not obligated to pay Biogen any expenses, fees, or royalties.

The Company may terminate the Biogen Agreement for any reason or no reason, and Biogen may terminate the agreement after a notice-and-cure period of 30 days if the Company fails to pay a fee owed to Biogen or for any other material breach of the agreement. The Biogen Agreement will otherwise expire when all claims of all issued patents within the patents and patent applications licensed to the Company under the Biogen Agreement have expired or been finally rendered revoked, invalid or unenforceable by a decision of a court or government agency.

National Cancer Institute of the National Institutes of Health

Effective September 16, 2019, the Company entered into a nonexclusive, worldwide license agreement, or the NCI Agreement with the U.S. Department of Health and Human Services, represented by the National Cancer Institute of the National Institutes of Health, or NCI.

Under the NCI Agreement, the Company was granted a license under certain NCI patents and patent applications designated in the agreement, to make, use, sell, offer and import products and processes within the scope of the patents and applications licensed under the NCI Agreement when developing and manufacturing anti-BCMA CAR-T cell products for the treatment of myasthenia gravis, pemphigus vulgaris, and immune thrombocytopenic purpura according to methods designated in the NCI Agreement.

In connection with the Company's entry into the NCI Agreement, Old Cartesian paid to NCI a one-time $0.1 million license royalty payment. Under the NCI Agreement, the Company is further required to pay NCI a low five-digit annual royalty. The Company must also pay earned royalties on net sales in a low single-digit percentage and pay up to $0.8 million in benchmark royalties upon the Company's achievement of designated benchmarks that are based on the commercial development plan agreed between the parties.

Under the NCI Agreement, the Company must use reasonable commercial efforts to bring licensed products and licensed processes to the point of Practical Application (as defined in the NCI Agreement). Upon the Company's first commercial sale, the Company must use reasonable commercial efforts to make licensed products and licensed processes reasonably accessible to the United States public. After the Company's first commercial sale, the Company must make reasonable quantities of licensed products or materials produced via licensed processes available to patient assistance programs and develop educational materials detailing the licensed products. Unless the Company obtains a waiver from NCI, the Company must have licensed products and licensed processes manufactured substantially in the United States. Prior to the first commercial sale, upon NCI’s request, the Company is obligated to provide NCI with commercially reasonable quantities of licensed products made through licensed processes to be used for in vitro research.

Additionally, the Company must use reasonable commercial efforts to initiate a Phase 3 clinical trial of a licensed product by the fourth quarter of 2024, submit a BLA with respect to a licensed product by the fourth quarter of 2026, and make a first commercial sale of a licensed product by the fourth quarter of 2028.

The NCI Agreement terminates upon the expiration of the last to expire of the patent rights licensed thereunder, if not sooner terminated. NCI has the right to terminate this agreement, after giving written notice and providing a cure period in accordance with its terms, if the Company is in default of a material obligation. The Company has the unilateral right to terminate the agreement in any country or territory by giving NCI 60 days’ written notice. The Company agreed to indemnify NCI against any liability arising out of the Company's, sublicensees’ or third parties’ use of the licensed patent rights and licensed products or licensed processes developed in connection with the licensed patent rights.

Ginkgo Bioworks Holdings, Inc.

Collaboration and License Agreements

On October 25, 2021, the Company entered into a Collaboration and License Agreement, or the First Ginkgo Agreement, with Ginkgo. Under the First Ginkgo Agreement, Ginkgo will design next generation IgA proteases with potentially transformative therapeutic potential. In return, Ginkgo is eligible to earn both upfront research and development fees and milestone payments, including certain milestone payments for fixed fair values in the form of the Company's common stock, clinical and commercial milestone payments of up to $85.0 million in cash. The First Ginkgo Agreement was assessed for collaboration components and was determined not to be within the scope of ASC 808 as the risk and rewards are not shared by both parties. The Company will expense costs related to the First Ginkgo Agreement as incurred until regulatory approval is received in accordance with ASC 730. The Company is accounting for the contingently issuable shares to be issued in exchange for the license obtained from Ginkgo as a liability classified stock-based compensation arrangement with a non-employee which will be recognized when achievement of the milestones is probable. The Company will assess the capitalization of costs incurred after the receipt of regulatory approval and, if applicable, will amortize these payments based on the expected useful life of each asset, typically based on the expected commercial exclusivity period. The Company is also obligated to pay Ginkgo

tiered royalties ranging from low-single digit to high-single digit percentages of annual net sales of collaboration products which will be expensed as the commercial sales occur.

On January 3, 2022, the Company entered into a Collaboration and License Agreement, or the Second Ginkgo Agreement, with Ginkgo. Under this agreement, the Company will engage with Ginkgo to develop AAV capsids designed to enhance transduction efficiency and transgene expression. In return, Ginkgo is eligible to earn both upfront research and development fees and milestone payments, including certain milestone payments in the form of shares of the Company's common stock, clinical and commercial milestone payments of up to $207 million in cash. The Second Ginkgo Agreement was assessed for collaboration components and was determined not to be within the scope of ASC 808 as the risk and rewards are not shared by both parties. The Company will expense costs related to the Second Ginkgo Agreement as incurred until regulatory approval is received in accordance with ASC 730. The Company is accounting for the contingently issuable shares of common stock to be issued in exchange for the license obtained from Ginkgo as a liability-classified, stock-based compensation arrangement with a non-employee which will be recognized when achievement of the milestones is probable. The Company will assess the capitalization of costs incurred after the receipt of regulatory approval and, if applicable, will amortize these payments based on the expected useful life of each asset, typically based on the expected commercial exclusivity period. The Company is also obligated to pay Ginkgo tiered royalties ranging from low-single digit to high-single digit percentages of annual net sales of collaboration products which will be expensed as the commercial sales occur.

On June 13, 2022, the Company was notified of the achievement of the midpoint of the technical development plan under the First Ginkgo Agreement by Ginkgo. This milestone resulted in the payment of $0.5 million and issuance of 892,857 shares of the Company's common stock then-valued at $1.0 million to Ginkgo during the year ended December 31, 2022.

On July 19, 2023, the Company and Ginkgo mutually agreed that the completion of the technical development plan's midpoint task under the Second Ginkgo Agreement had been achieved as of June 30, 2023. This milestone resulted in the payment of $1.0 million and issuance of 1,339,285 shares of the Company's common stock then-valued at $1.5 million to Ginkgo during the year ended December 31, 2023.

Genovis AB (publ.)

License Agreement

On October 21, 2021, the Company entered into the Genovis Agreement with Genovis. Under the Genovis Agreement, the Company paid to Genovis an upfront payment in exchange for an exclusive license to Genovis' IgG Protease, Xork, enzyme technology across all therapeutic uses in humans, excluding research, preclinical, diagnostic and other potential non-therapeutic applications of the enzyme. Genovis is eligible to earn from the Company development and sales-based milestones and sublicensing fees. The Genovis Agreement was assessed for collaboration components and was determined not to be within the scope of ASC 808 as the risk and rewards are not shared by both parties. The Company will expense costs related to the Genovis Agreement as incurred until regulatory approval is received in accordance with ASC 730. The Company will assess the capitalization of costs incurred after the receipt of regulatory approval and, if applicable, will amortize these payments based on the expected useful life of each asset, typically based on the expected commercial exclusivity period. The Company is also obligated to pay Genovis tiered royalties of low double digit percentages of worldwide annual net sales of collaboration products which will be expensed as the commercial sales occur.

In February 2023, the Company made a $4.0 million payment to Genovis as a result of the sublicense of Xork to Astellas. See Note 14 to these consolidated financial statements for further discussion on the Astellas Agreement.

Cyrus Biotechnology, Inc.

Collaboration and License Agreement

On September 7, 2021, the Company and Cyrus entered into the Cyrus Agreement. Pursuant to the Cyrus Agreement, Cyrus agreed to grant the Company an exclusive, worldwide license to certain intellectual property to form a protein engineering collaboration combining the Company's ImmTOR platform with Cyrus' ability to redesign protein therapeutics. The lead program was a proprietary interleukin-2, or IL-2, protein agonist designed to selectively promote expansion of regulatory T cells for treatment of patients with autoimmune diseases and other deleterious immune conditions. In return for the licensed intellectual property, the Company made an upfront payment and was obligated to pay certain discovery, development, and sales-based milestones which could have potentially totaled up to approximately $1.5 billion across multiple programs. The Cyrus Agreement was assessed for collaboration components and was determined not to be within the scope of ASC 808 as the risk and rewards are not shared by both parties. The Company expensed costs related to the Cyrus Agreement as incurred until regulatory approval is received in accordance with ASC 730. The Company assessed the capitalization of costs incurred after the receipt of regulatory approval and, if applicable, would have amortized these payments based on the expected useful life of each asset, typically based on the expected commercial exclusivity period. The Company was also obligated to pay Cyrus tiered

royalties ranging from mid-single digit to low-double digit percentages of annual net sales of collaboration products which would have been expensed as commercial sales occur.

On June 13, 2022, the Company and Cyrus mutually agreed that the preclinical key in-vitro success milestone had been achieved.

In October 2023, the Company notified Cyrus of its termination of the Cyrus Agreement, effective December 29, 2023.

Stock Purchase Agreement

Additionally, on September 7, 2021, the Company entered into a stock purchase agreement, or the Series B Preferred Stock Purchase Agreement, in connection with the Cyrus Agreement. Pursuant to the Series B Preferred Stock Purchase Agreement, the Company purchased 2,326,934 shares of Cyrus' Series B Preferred Stock, par value $0.0001 per share, at a purchase price of $0.8595 per share for $2.0 million.

In accordance with ASC 810, the Company has a variable interest in Cyrus resulting from its equity investment. The Company will share in Cyrus' expected losses or receive a portion of its expected returns and absorb the variability associated with changes in the entity's net assets. However, the Company is not the primary beneficiary as it does not have the power to direct the activities most significant to Cyrus, and therefore it is not required to consolidate Cyrus. The Company has recognized the $2.0 million investment of Cyrus' Series B Preferred Stock at cost on the purchase date.

As of December 31, 2023, no impairment indicators are present and therefore the carrying value of the investment in Cyrus is $2.0 million on the accompanying consolidated balance sheet. The Company's maximum exposure to loss related to this VIE is limited to the carrying value of the investment. The Company has not provided financing to Cyrus other than the amount contractually required by the Series B Preferred Stock Purchase Agreement.

Asklepios Biopharmaceutical, Inc.

Feasibility Study and License Agreement

In August 2019, the Company entered into a feasibility study and license agreement with AskBio, or the AskBio Collaboration Agreement. Pursuant to the AskBio Collaboration Agreement, the Company and AskBio agreed to license intellectual property rights to each other as part of a collaboration to research, develop, and commercialize certain AAV gene therapy products utilizing the Company's ImmTOR platform to enable re-dosing of such AAV gene therapy products to treat serious rare and orphan genetic diseases for which there is a significant unmet medical need.

Pursuant to the AskBio Collaboration Agreement, the Company and AskBio agreed to conduct proof of concept studies to potentially validate the use of ImmTOR in conjunction with AskBio's AAV gene therapy, or SEL-302, (previously disclosed as MMA-101, in combination with ImmTOR) for the treatment of methylmalonic acidemia, or MMA, to mitigate the formation of neutralizing anti-AAV capsid antibodies. On April 29, 2021, the Company was notified by AskBio that it intended to opt-out of development of the MMA indication.

The Company and AskBio shared responsibility for the research, development and commercialization of products developed under the SEL-399 program collaboration. The parties also shared research, development, and commercialization costs equally for all collaboration products, but with a right of either party to opt out of certain products, and thereby not be required to share costs for such products. Each party would have received a percentage of net profits under the collaboration equal to the percentage of shared costs borne by such party in the development of such product. Pursuant to the AskBio Collaboration Agreement, AskBio was responsible for manufacturing the AAV capsids and AAV vectors and the Company was responsible for manufacturing ImmTOR.

The Company and AskBio mutually agreed to the termination of the AskBio Collaboration Agreement, effective December 13, 2023.

For the years ended December 31, 2023 and 2022, the Company recognized $0.1 million and $0.9 million, respectively, of collaboration expense under the AskBio Collaboration Agreement in which actual costs incurred by both parties approximate a 50% cost share.

Shenyang Sunshine Pharmaceutical Co., Ltd

In May 2014, the Company entered into a license agreement, or the 3SBio License, with Shenyang Sunshine Pharmaceutical Co., Ltd., or 3SBio. The Company has paid to 3SBio an aggregate of $7.0 million in upfront and milestone-based payments under the 3SBio License as of December 31, 2023. The Company is required to make future payments to 3SBio contingent upon the occurrence of events related to the achievement of clinical and regulatory approval milestones of up to an aggregate of $15.0 million for products containing the Company's ImmTOR platform.

17. Income Taxes

The Company provides for income taxes under ASC 740. Under ASC 740, the Company provides deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the Company's financial statement carrying amounts and the tax bases of assets and liabilities using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse.

On November 13, 2023, the Company acquired, in accordance with the terms of the Merger Agreement, the assets of Old Cartesian. In accordance with ASC 805-740-25-3, recognition of deferred tax assets and liabilities is required for substantially all temporary differences and acquired tax carryforwards and credits. The Company has computed estimated temporary differences and acquired tax carryforwards and credits as of the transaction date. The Company will not have tax basis in IPR&D booked as part of the purchase accounting. For accounting purposes, the IPR&D will not be amortized and only subject to impairment review and testing. Though the tax effects may be delayed indefinitely, ASC 740-10-55-63 states that "deferred tax liabilities may not be eliminated or reduced because a reporting entity may be able to delay the settlement of those liabilities by delaying the events that would cause taxable temporary differences to reverse." As such, the Company can potentially only utilize indefinite-lived assets as it relates to this indefinite lived intangible deferred tax liability reversal. As such, the Company has booked a deferred tax liability for the portion of the liability that cannot be reduced based on scheduling. Additionally, a portion of this target deferred tax liability is offset with the Company's pre-Merger deferred tax assets on a combined basis, and as such the portion of deferred tax liability reduced by the Company's pre-Merger deferred tax assets has been charged to income rather than to goodwill.

For the year ended December 31, 2023, the Company recognized a current tax benefit, of $19.0 million. For the year ended December 31, 2022, the Company recognized a current tax benefit for penalty abatements received of $0.6 million. For the year ended December 31, 2021, the Company had recorded a tax expense of $16.0 million, inclusive of penalties and interest of $1.3 million assessed as of December 31, 2021. The following table reconciles the federal statutory income tax rate to the Company's effective income tax rate:

	Year Ended December 31,		
	2023	**2022**	**2021**
Statutory U.S. federal rate	21.0 %	21.0 %	21.0 %
State income taxes - net of federal benefit	2.3 %	1.6 %	(166.0)%
Permanent items	(1.6)%	(18.6)%	8.3 %
Research tax credits	0.6 %	(3.2)%	55.0 %
Deferred revenue	— %	— %	156.5 %
Other	— %	— %	(3.7)%
Change in fair value of forward contract liabilities	(13.2)%	— %	— %
Valuation allowance, net	2.8 %	(4.4)%	(230.1)%
Stock-based compensation	(3.9)%	1.8 %	(5.2)%
Effective income tax rate	8.0 %	(1.8)%	(164.2)%

The tax effects of temporary differences that give rise to the Company's net deferred tax assets are as follows (in thousands):

	Year Ended December 31,	
	2023	2022
Deferred Tax Assets		
Net operating loss carryforwards	$ 29,841	$ 17,015
Research and development credits	5,649	2,806
Stock-based compensation expense	8	5,892
Other expenses	705	1,697
Deferred revenue	84,626	83,417
Operating lease liabilities	2,718	3,186
R&E Capitalization	19,778	9,588
Patent and license costs	9,140	7,472
Gross deferred tax assets	152,465	131,073
Deferred Tax Liabilities		
Intangible assets	$ (41,144)	$ —
Depreciation	(128)	(81)
Operating lease right-of-use assets	(2,751)	(3,174)
Gross deferred tax liabilities	(44,023)	(3,255)
Net deferred tax assets before valuation allowance	108,442	127,818
Valuation allowance	(124,295)	(127,818)
Net deferred tax assets/(liabilities)	$ (15,853)	$ —

The Company has provided a full valuation allowance against its net deferred tax assets, outside of the indefinite tax liability booked as part of the Merger. The Company believes that it is more likely than not that the net deferred tax assets will not be realized.

Realization of future tax benefits is dependent on many factors, including the Company's ability to generate taxable income. The Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets and concluded that it is more likely than not that the Company will not realize the benefit of its net deferred tax assets. The valuation allowance decreased by $3.5 million for the year ended December 31, 2023, primarily as a result of tax benefit booked as part of the Merger. The valuation allowance decreased by $1.5 million for the year ended December 31, 2022, primarily as a result of pre-tax income and credits. As of December 31, 2023, the Company is in the process of winding down operations in Russia and does not expect any tax liability relating to such operations.

At December 31, 2023, the Company has federal net operating loss carryforward of $108.7 million, which can be carried forward indefinitely, subject to an 80% limitation and state net operating loss carryforward of $110.3 million, which will expire at various times through 2043. The Company has $4.9 million and $0.9 million, respectively, of federal and state research and development tax credit carryforwards, which will expire at various times through 2043. Utilization of the NOL carryforwards and research and orphan drug credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, and similar state law due to ownership changes that could occur in the future.

These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. If the Company experiences a change of control, as defined by Section 382 of the Code and similar state law, utilization of the NOL carryforwards or research and orphan drug credit carryforwards may be subject to an annual limitation under Section 382 of the Code, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the NOL carryforwards or research and orphan drug credit carryforwards before utilization. The Company performed an analysis of ownership changes through December 31, 2023. Based on this analysis, the Company does not believe that any of its tax attributes through December 31, 2023 will expire unutilized due to Section 382 limitations. To the extent the Company enters into future equity transactions, there could be a limitation on the Company's tax attributes.

The Company applies ASC 740, *Income Taxes* to uncertain tax positions. As of the adoption date on January 1, 2010 and through December 31, 2023, the Company had no unrecognized tax benefits or related interest and penalties accrued.

During 2023, the Company completed a detailed study of its research and development and orphan drug credits through December 31, 2022. As a result, the Company adjusted its deferred tax asset balances and the impacts are included in the research tax credits and state income taxes - net of federal benefit lines in the effective rate reconciliation above.

The Tax Cuts and Jobs Act requires taxpayers to capitalize and amortize, rather than deduct, research and experimental, or R&E, expenditures under section 174 for tax years beginning after December 31, 2021. These rules became effective for the

Company during the year ended December 31, 2022. As a result, the Company has capitalized R&E costs of $44.7 million and $29.3 million for the years ended December 31, 2023 and December 31, 2022, respectively. The Company will amortize these costs for tax purposes over five years if the R&E was performed in the U.S. and over 15 years if the R&E was performed outside the U.S.

Interest and penalty charges, if any, related to unrecognized tax benefits would be classified as income tax expense in the accompanying statement of operations. As of December 31, 2023, the Company had no accrued interest related to uncertain tax positions.

The statute of limitations for assessment by the Internal Revenue Service and Massachusetts tax authorities is open for tax years since inception as the Company claimed research tax credits on its 2020 tax return which remains open for examination for the 2020 year as well as for any year in which a credit has been claimed for. The Company files income tax returns in the United States and Massachusetts. There are currently no federal, state or foreign audits in progress.

18. Defined Contribution Plan

The Company maintains a defined contribution plan, or the 401(k) Plan, under Section 401(k) of the Internal Revenue Code. The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis. The 401(k) Plan provides for matching contributions on a portion of participant contributions pursuant to the 401(k) Plan's matching formula. As of January 2022, all matching contributions vest ratably over two years and participant contributions vest immediately. Contributions by the Company totaled $0.3 million, $0.3 million, and $0.2 million during each of the years ended December 31, 2023, 2022 and 2021, respectively.

19. Commitments and Contingencies

As of December 31, 2023, the Company was not a party to any litigation that could have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

Other

As permitted under Delaware law, the Company indemnifies its directors for certain events or occurrences while the director is, or was, serving at the Company's request in such capacity. The term of the indemnification is for the director's lifetime. The maximum potential amount of future payments the Company could be required to make is unlimited; however, the Company has directors' insurance coverage that limits its exposure and enables it to recover a portion of any future amounts paid. The Company also has indemnification arrangements under certain of its facility leases that require it to indemnify the landlord against certain costs, expenses, fines, suits, claims, demands, liabilities, and actions directly resulting from certain breaches, violations, or non-performance of any covenant or condition of the Company's lease. The term of the indemnification is for the term of the related lease agreement. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. To date, the Company had not experienced any material losses related to any of its indemnification obligations, and no material claims with respect thereto were outstanding.

The Company is a party in various other contractual disputes and potential claims arising in the ordinary course of business. The Company does not believe that the resolution of these matters will have a material adverse effect the Company's business, financial position, results of operations or cash flows.

20. Restructuring

In April 2023, in light of current market conditions, the Board of Directors, took steps to extend the Company's cash runway by pausing further development of SEL-302 for the treatment of MMA, and conducting a targeted headcount reduction. On August 17, 2023, the Company announced additional steps to extend cash runway and maximize value for stockholders by continuing to prioritize development of SEL-212 and support of its collaboration with Astellas for Xork, and pausing further development of all of the Company's other clinical and preclinical product candidates that it was no longer actively advancing.

As a result of these measures, the Company implemented a restructuring plan resulting in an approximate 79% reduction of the Company's existing headcount by December 31, 2023. The Company recognized restructuring expenses consisting of one-time cash severance payments and other employee-related costs of $6.4 million during the year ended December 31, 2023. Cash payments for employee related restructuring charges of $2.5 million were paid as of December 31, 2023. The Company recorded $5.6 million and $0.8 million based on each employee's role to research and development and general and administrative operating expense categories, respectively, on its consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2023.

The following table summarizes the change in the Company's accrued restructuring balance (in thousands):

	Beginning Balance December 31, 2022	Charges	Payments	Ending Balance December 31, 2023
Severance liability	$ —	$ 6,431	$ 2,535	$ 3,896

21. Subsequent Events

On February 28, 2024, the Company entered into a lease agreement with 7495 RP, LLC, or the Landlord, pursuant to which it agreed to lease from the Landlord the manufacturing space located at 7495 New Horizon Way, Frederick, Maryland, or the Frederick Lease Agreement. The space consists of 19,199 leasable square feet of integrated manufacturing and office space. The initial term of the Frederick Lease Agreement is expected to commence no later than April 1, 2024, once the Landlord has obtained legal possession of the premises free of the existing tenant and delivered full possession of the premises to the Company, or the Commencement Date. The Frederick Lease Agreement will terminate seven full lease years following the Commencement Date which, assuming a Commencement Date of April 1, 2024, will be May 31, 2031. The Company will have one option to extend the term of the Frederick Lease Agreement for a period of five years. The base rent for the initial term is $0.1 million per month.

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

As of December 31, 2023, Cartesian Therapeutics, Inc. (the "Company," "we," "us" and "our") had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock, par value $0.0001 per share ("common stock"), and contingent value rights ("CVRs").

The following description of our securities is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our restated certificate of incorporation, as amended (the "Charter"), our amended and restated by-laws (the "Bylaws"), the Certificate of Designation of Preferences, Rights and Limitations of the Series A Non-Voting Convertible Preferred Stock (the "Certificate of Designation") governing the Company's Series A Non-Voting Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock"), the Contingent Value Rights Agreement (the "CVR Agreement") by and between the Company and Equiniti Trust Company, LLC (in such capacity, the "Trustee"), dated December 6, 2023, and applicable provisions of the Delaware General Corporation Law ("DGCL"). Our Charter, Bylaws, the Certificate of Designation, and the CVR Agreement are included as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.14 forms a part. We encourage you to carefully read each of the foregoing documents and the applicable provisions of the DGCL for additional information.

DESCRIPTION OF CAPITAL STOCK

General

Our authorized capital stock consists of 360,000,000 shares, comprised of 350,000,000 shares of common stock, $0.0001 par value per share, and 10,000,000 shares of preferred stock, $0.0001 par value per share ("preferred stock"), of which 548,375 shares of preferred stock have been designated as Series A Preferred Stock and 9,451,625 shares of preferred stock remain undesignated. As of March 1, 2024, there were 161,948,618 shares of our common stock outstanding, 534,260.839 shares of Series A Preferred Stock outstanding, no undesignated shares of preferred stock outstanding, and 175,775,611 CVRs outstanding.

The transfer agent and registrar for our common stock and Series A Preferred Stock is Equiniti Trust Company, LLC. Equiniti Trust Company, LLC also acts as Trustee for the CVRs. Equiniti Trust Company, LLC's address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (800) 937-5449.

Common Stock

Our common stock is listed on the Nasdaq Global Market under the symbol "RNAC." The outstanding shares of our common stock are duly authorized, validly issued, fully paid and nonassessable.

Voting Rights

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Subject to the supermajority votes for some matters, other matters shall be decided by the affirmative vote of our stockholders having a majority in voting power of the votes cast by the stockholders present or represented and voting on such matter. Our Charter and Bylaws also provide that our directors may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon. In addition, the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares of capital stock entitled to vote thereon is required to amend or repeal, or to adopt any provision inconsistent with, several of the provisions of our Charter.

Rights Upon Liquidation

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

Dividend Rights

Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock.

Other Rights

Holders of common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock we may designate and issue in the future.

Preferred Stock

Pursuant to our Charter, our board of directors is authorized, without stockholder approval, subject to limitations prescribed by law, to issue up to 10,000,000 shares of preferred stock in one or more series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the voting rights, if any, designations, powers, preferences and relative, participating, optional, special and other rights of the shares of each series, and any qualifications, limitations or restrictions thereof. 548,375 shares of preferred stock have been designated as Series A Preferred Stock.

We will fix the voting rights, designations, preferences and rights of the preferred stock of each series, as well as the qualifications, limitations or restrictions thereof, in the certificate of designation relating to such series. Any description of our securities that we file with the Securities and Exchange Commission (the "Commission") describing any such certification of designation may include:

- the title and stated value;
- the number of shares offered;
- the liquidation preference per share;
- the purchase price per share;
- the dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation for dividends;
- whether dividends are cumulative or non-cumulative and, if cumulative, the date from which dividends will accumulate;
- our right, if any, to defer payment of dividends and the maximum length of such deferral period;
- the procedures for auction and remarketing, if any;
- the provisions for a sinking fund, if any;
- the provision for redemption or repurchase, if applicable, and any restrictions on our ability to exercise those redemption and repurchase rights;
- any listing of the preferred stock on any securities exchange or market;
- the terms and conditions, if applicable, upon which the preferred stock will be convertible into common stock, including the conversion price (or manner of calculation) and conversion period;
- whether the preferred stock will be exchangeable into debt securities, and, if applicable, the exchange price, or how it will be calculated, and the exchange period;
- voting rights, if any, of the preferred stock;
- preemptive rights, if any;
- restrictions on transfer, sale or other assignment, if any;
- whether interests in the preferred stock will be represented by depositary shares;
- a discussion of any material and/or special U.S. federal income tax considerations applicable to the preferred stock;
- the relative ranking and preferences of the preferred stock as to dividend rights and rights upon the liquidation, dissolution or winding up of our affairs;

- any limitations on issuance of any class or series of preferred stock ranking senior to or on a parity with the class or series of preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs; and

- any other specific terms, preferences, rights, limitations or restrictions of the preferred stock.

Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of discouraging a takeover or other transaction that might involve a premium price for holders of the shares or which holders might believe to be in their best interests. The issuance of preferred stock could adversely affect the voting power, conversion or other rights of holders of common stock and reduce the likelihood that holders of common stock will receive dividend payments and payments upon liquidation. We have no current plan to issue any shares of preferred stock other than the shares of our Series A Preferred Stock that have been issued to date.

The laws of the State of Delaware provide that the holders of preferred stock will have the right to vote separately as a class on any proposal involving fundamental changes to the rights of holders of such preferred stock. This right is in addition to any voting rights that may be provided for in the applicable certificate of designations.

Series A Preferred Stock

Conversion. Pursuant to a definitive proxy statement we filed with the Commission on February 14, 2024 and mailed to holders of common stock as of the record date of February 13, 2024, we are soliciting common stockholder approval of a proposal (the "Conversion Proposal") to issue shares of common stock upon conversion of shares of Series A Preferred Stock, subject to a beneficial ownership limitation described below.

If the Conversion Proposal is approved, effective as of 5:00 p.m. Eastern time on the third business day after the date on which such stockholder approval is received, each share of Series A Preferred Stock will automatically convert into 1,000 shares of common stock, subject to the beneficial ownership limitation that a holder of Series A Preferred Stock is prohibited from converting shares of Series A Preferred Stock into shares of common stock to the extent that, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (initially set by the holder at a number up to 19.9% and thereafter adjusted, provided that no such adjustment exceeds 19.9%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion. Such beneficial ownership limitation does not apply to any holder of Series A Preferred Stock who beneficially owned greater than 19.9% of our common stock immediately prior to our November 2023 merger (the "Merger") with the private company then-known as Cartesian Therapeutics, Inc. ("Old Cartesian").

Voting Rights. Except as otherwise required by law (e.g., voting on a change to the authorized shares of Series A Preferred Stock or the rights of such shares as required by DGCL) and the Certificate of Designation, the Series A Preferred Stock does not have voting rights. However, as long as any shares of Series A Preferred Stock are outstanding, we will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series A Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock, (b) alter or amend the Certificate of Designation, (c) amend the Charter or other organizational documents in any manner that adversely affects any rights of the holders of Series A Preferred Stock, (d) issue further shares of Series A Preferred Stock (other than in connection with the exercise of assumed Old Cartesian options to purchase shares of Series A Preferred Stock), (e) prior to the stockholder approval of the Conversion Proposal or at any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, consummate either (A) a Fundamental Transaction (as defined in the Certificate of Designation) or (B) any merger or consolidation of the Company or other business combination in which our stockholders immediately before such transaction do not hold at least a majority of our capital stock immediately after such transaction, (f) amend or fail to comply with, in any manner that would be reasonably likely to prevent, impede or materially delay the conversion (or the stockholder approval thereof), or terminate, any of the stockholder support agreements entered into in connection with the merger (the "Support Agreements"), or agree to any transfer, sale or disposition of such shares subject to the Support Agreements (except for such transfers, sales or dispositions with respect to which the approval of the Company is not required pursuant to the applicable Support Agreement) or (g) enter into any agreement with respect to any of the foregoing.

Dividends. Holders of Series A Preferred Stock are entitled to receive non-cumulative dividends on shares of Series A Preferred Stock equal, on an as-if-converted-to-common-stock basis, and in the same form as dividends actually paid on shares of the common stock.

Liquidation and Dissolution. The Series A Preferred Stock ranks on parity with common stock upon any liquidation, dissolution or winding-up of the Company.

Preemptive Rights. The Series A Preferred Stock does not have preemptive rights.

Transferability. The Certificate of Designation does not contain any restrictions upon the transfer of the Series A Preferred Stock.

Redemption. The Series A Preferred Stock is redeemable at the option of the holder thereof at any time following the date that is 18 months after the initial issuance of the Series A Preferred Stock, other than any shares of Series A Preferred Stock that would not be convertible into shares of common stock as a result of the application of the beneficial ownership limitation described under "−*Conversion*" above (without regard to the lack of obtaining the requisite stockholder approval to convert the Series A Preferred Stock into common stock).

Contingent Value Rights

Each CVR entitles the holder thereof to distributions of the following, pro-rated on a per-CVR basis, during the period ending on the date on which the Royalty Term (as defined in our License and Development Agreement, as amended, with Swedish Orphan Biovitrum AB (publ.) (the "Sobi License")) ends (the "Termination Date"):

(i) 100% of all milestone payments, royalties and other amounts paid to us or our controlled affiliates (the "Company Entities") prior to the Termination Date under the Sobi License or, following certain terminations of the Sobi License, any agreement a Company Entity enters into that provides for the development and commercialization of SEL-212 (a "New Applicable Agreement"); and

(ii) 100% of all cash consideration and the actual liquidation value of any and all non-cash consideration of any kind that is paid to or is actually received by any Company Entity prior to the Termination Date pursuant to an agreement between a Company Entity and any person who is not a Company Entity relating to a sale, license, transfer or other disposition of any transferable asset of the Company Entities existing as of immediately prior to the Merger (a "Disposition") other than those exclusively licensed under the Sobi License or which the Company Entities are required to continue to own in order to comply with the Sobi License (a "Disposition Agreement").

The distributions in respect of the CVRs will be made on a semi-annual basis, and will be subject to a number of deductions, subject to certain exceptions or limitations, including for (A) certain taxes, (B) certain out-of-pocket expenses incurred by the Company Entities, including audit and accounting fees incurred in connection with reporting obligations relating to the CVRs, in respect of its performance of the Sobi License or any New Applicable Agreement, in connection with the entry into a Disposition Agreement and under any Disposition Agreement and performance of the Company Entities' related obligations thereunder, (C) a fixed amount of $750,000 for each Distribution Period (as defined below) to account for general and administrative overhead incurred by the Company Entities, (D) in the case of a distribution that includes payments for certain milestones under clause (ii) above and for the upfront portion, if any, of the consideration payable under a Disposition Agreement (a "Trigger Distribution"), the sum of payments made under any liabilities of the Company Entities arising under real property leases in effect as of immediately prior to the closing (the "Closing") of the Merger ("Lease Liabilities") after the Closing and the aggregate remaining payment obligations under the Lease Liabilities outstanding as of the applicable date of measurement (but subject to a positive adjustment in case amounts held back under this clause (D) exceed the liabilities actually incurred under the Lease Liabilities at the time such a lease expires or is terminated, assigned or subleased), and (E) in the case of a Trigger Distribution, the sum of payments made after the Closing under certain liabilities relating to our Xork product candidate ("Xork Liabilities") after the Closing and the aggregate remaining payment obligations under Xork Liabilities outstanding as of the applicable date of measurement but subject to a positive adjustment in case amounts held back under this clause (E) exceed the liabilities actually incurred under the Xork Liabilities at such time as the development activities with respect to Xork are terminated, transferred or assigned by the Company Entities or otherwise completed in accordance with the development plan set forth in our License and Development Agreement with Audentes Therapeutics, Inc. (the "Astellas Agreement"), when such termination, transfer, assignment or completion occurs.

We will calculate the amount of any payment due on the CVRs for each six-month period from January 1 through June 30 and each six-month period from July 1 through December 31 of each year (each such period, a "Distribution Period"), except that the initial Distribution Period will commence on the date of the CVR Agreement and run through June 30, 2024. Payments on the CVRs will be cumulative and will be payable no later than the close of business on each March 15 (for Distribution Periods that end on December 31) and September 15 (for Distribution Periods that end on June 30), commencing on September 15, 2024 (each such date, a "Distribution Payment Date"), to holders of record of the CVRs as of the close of business on the first day of the month of the applicable Distribution Payment Date. If a Distribution Payment Date is not a business day, payment will be made

on the immediately succeeding business day, without the accumulation of additional distributions. If the amount of any per-CVR distribution is less than $0.02, we may elect to defer such distribution until the next Distribution Payment Date when the aggregate per-CVR distribution would be $0.02 or greater.

Under the CVR Agreement, as long as any CVRs are outstanding, we will not: (i) without the affirmative vote of the holders of at least 66 and 2/3% of the then-outstanding CVRs modify in a manner adverse to the CVR holders any provision contained in the CVR Agreement with respect to the termination of the CVR Agreement or the CVRs, or the time for payment and amount of any distribution, or modify in any manner any provision of the CVR Agreement if such modification would reduce the amounts payable in respect of the CVRs or modify any other payment term or payment date, (ii) without the consent of each holder of each outstanding CVR affected thereby, reduce the number of CVRs, or modify any provision referenced in the preceding clause (i) or this clause (ii), except to increase the percentage of CVR holders from whom consent is required or to provide that certain other provisions of the CVR Agreement cannot be modified or waived without the consent of the holder of each CVR affected thereby, (iii) without the consent of the affirmative vote of the holders of a majority of the then-outstanding CVRs, alter, change, amend, or modify, in each case in any material respect or in any manner adverse to the CVR holders, the Sobi License, the Astellas Agreement, or our Exclusive License Agreement with Genovis AB (publ.), terminate the Sobi License, or sell, license, assign, transfer, enter into any monetization transaction, or otherwise dispose of or otherwise grant or suffer to exist a mortgage, pledge, lien, encumbrance or other security interest on all or a portion of (A) the patents or patent applications licensed under the Sobi License or (B) the Sobi License or any rights to receive any milestone payments, royalties or other amounts under the Sobi License, and (iv) subject to limited exceptions, issue any additional CVRs, other than pursuant to the Agreement and Plan of Merger between us, Old Cartesian, and the merger subsidiary parties thereto to former holders of Selecta's common stock or to holders of warrants to purchase common stock.

Additionally, in the event of certain terminations of the Sobi License at a time when any CVRs are outstanding, we will, and will cause our applicable related entities to, exercise our rights to obtain a "reversion license" and enforce any of our rights under the terminated Sobi License that survive the termination or expiration thereof.

Under the CVR Agreement, the Trustee has, and holders of at least 20% of the CVRs then outstanding may also instruct the Trustee to exercise, certain rights to inspection, audit, and enforcement on behalf of all holders of the CVRs.

CVR holders, solely by virtue of their holding of a CVR, are not entitled to dividends issued by us, do not have voting rights with respect to affairs of our Company, and shall have no rights upon a liquidation of our Company. The CVRs are not convertible or redeemable and do not constitute a debt or obligation of our Company.

The CVRs are transferable but are not expected to be listed on any securities exchange and no transaction involving the CVRs is expected to be registered under the Securities Act of 1933, as amended (the "Securities Act").

Registration Rights

Certain holders our common stock or their transferees are entitled to the following rights with respect to the registration of such shares for public resale under the Securities Act.

These registration rights are granted pursuant to (i) a registration rights agreement we entered into on November 13, 2023 (the "2023 Registration Rights Agreement"), in connection with the Merger and the private placement of 149,330.115 shares of Series A Preferred Stock (the "November 2023 Private Placement"), and a (ii) a registration rights agreement we entered into on June 11, 2020 (as amended, the "2020 Registration Rights Agreement"), we entered into in connection with the private placement of 5,416,390 shares of our common stock ("the 2020 Private Placement").

2023 Registration Rights Agreement

In connection with the Merger and the November 2023 Private Placement, we entered into the 2023 Registration Rights Agreement, pursuant to which we agreed to prepare and file a resale registration statement with the Commission within 90 calendar days following November 15, 2023, with respect to the shares of common stock underlying the Series A Preferred Stock issued in the November 2023 Private Placement and the common stock and and shares of common stock underlying the Series A Preferred Stock issued to the signatories to the 2023 Registration Rights Agreement in the Merger. We also agreed to use our commercially reasonable efforts to cause such registration statement to be declared effective by the Commission by March 29, 2024 (or by May 13, 2024 if the Commission reviews the registration statement). On February 1, 2024 and February 29, 2024, the parties to the 2023 Registration Rights Agreement agreed to extend the date by which such registration statement must be filed to March 30, 2024.

We also agreed to, among other things, indemnify the holders of common stock and Series A Preferred Stock signatory thereto, their officers, directors, members, employees, partners, managers, stockholders, affiliates, investment advisors and agents under such registration statement from certain liabilities and pay all fees and expenses (excluding any legal fees of the selling holder(s), and any underwriting discounts and selling commissions) incident to our obligations under the 2023 Registration Rights Agreement.

Securities of a holder cease to be registrable securities under the 2023 Registration Rights Agreement upon the earlier to occur of the following: (A) a sale pursuant to a registration statement or Rule 144 under the Securities Act; and (B) the time such shares become eligible for resale by such holder under Rule 144 without the requirement for us to be in compliance with the current public information required thereunder and without volume or manner-of-sale restrictions, pursuant to a written opinion letter of counsel for our Company to such effect, addressed, delivered and reasonably acceptable to our transfer agent.

2020 Registration Rights Agreement

Holders of registrable securities under the 2020 Registration Rights Agreement have registration rights until the earlier of (i) such time as there are no longer any registrable securities held by the purchaser, its affiliates or permitted transferees and (ii) such time as all of the securities can otherwise be sold without regard to the volume or manner-of-sale restrictions pursuant to Rule 144. The registration of shares of common stock as a result of the following rights being exercised would enable holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

Piggyback Registration Rights. Any time we propose to register any shares of our common stock under the Securities Act, subject to certain exceptions, the holders of registrable securities are entitled to notice of the registration and to include their shares of registrable securities in the registration. If our proposed registration involves an underwriting, the managing underwriter of such offering will have the right to limit the number of shares to be underwritten for reasons related to the marketing of the shares.

Demand Registration Rights. If the holders of registrable securities request in writing that we effect a registration with respect to all of the registrable securities, we will be required to effect such registration.

Expenses. Ordinarily, other than underwriting discounts and commissions, we will be required to pay all expenses incurred by us related to any registration effected pursuant to the exercise of these registration rights. These expenses may include all registration and filing fees, printing expenses, fees and disbursements of our counsel, reasonable fees and disbursements of a counsel for the selling security holders and blue sky fees and expenses.

Termination of Registration Rights. The registration rights terminate upon the earlier of (i) such time as there are no longer any registrable securities held by the purchaser, its affiliates or permitted transferees and (ii) such time as all of the securities can otherwise be sold without regard to the volume or manner-of-sale restrictions pursuant to Rule 144.

Anti-Takeover Effects of Delaware Law and Our Charter and Bylaws

Some provisions of the DGCL, our Charter and our Bylaws could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interest, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock. The ability of our board of directors, without action by the stockholders, to issue up to 10,000,000 shares of undesignated preferred stock with voting or other rights or preferences as designated by our board of directors could impede the success of any attempt to effect a change in control of us.

These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our Company.

Stockholder Meetings. Our Bylaws provide that a special meeting of stockholders may be called only by our chairman of the board of directors, chief executive officer or president (in the absence of a chief executive officer), or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our Bylaws establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent. Our Charter eliminates the right of stockholders to act by written consent without a meeting.

Staggered Board. Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors. Our Charter provides that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of the holders of at least two-thirds in voting power of the outstanding shares of common stock entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting. Our Charter does not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute. We are subject to Section 203 of the DGCL, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this law may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum. Our Charter provides that, unless we consent in writing to the selection of an alternative form, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the DGCL or our Charter or Bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine. Our Charter also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. It is possible that a court of law could rule that the choice of forum provision contained in our Charter is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

Amendment of Charter. The amendment of any of the above provisions in our Charter, except for the provision making it possible for our board of directors to issue preferred stock and the provision prohibiting cumulative voting, would require approval by holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote thereon.

The provisions of the DGCL, our Charter and our Bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board of directors and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interest.

CARTESIAN THERAPEUTICS, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Non-employee members of the board of directors (the "***Board***") of Cartesian Therapeutics, Inc. (the "***Company***") shall receive cash and equity compensation as set forth in this Non-Employee Director Compensation Program (this "***Program***"), as amended by the Board effective December 21, 2023 (the "***Effective Date***"). The cash and equity compensation described in this Program shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a "***Non-Employee Director***") who is entitled to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Program shall remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Program shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors. No Non-Employee Director shall have any rights hereunder, except with respect to stock options or restricted stock units ("***RSUs***") granted pursuant to the Program. This Program shall become effective on the Effective Date.

I. CASH COMPENSATION

A. Annual Retainers. Each Non-Employee Director shall receive an annual retainer of $40,000 for service on the Board.

B. Additional Annual Retainers. In addition, each Non-Employee Director shall receive the following annual retainers:

1. *Chairperson of the Board or Lead Independent Director*. A Non-Employee Director serving as Chairperson of the Board shall receive an additional annual retainer of $30,000 for such service, and a Non-Employee Director serving as Lead Independent Director shall receive an additional annual retainer of $25,000 for such service.

2. *Audit Committee*. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of $15,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Audit Committee shall receive an additional annual retainer of $7,500 for such service.

3. *Compensation Committee*. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of $12,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Compensation Committee shall receive an additional annual retainer of $6,000 for such service.

4. *Nominating and Corporate Governance Committee*. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $10,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Nominating and Corporate Governance

Committee shall receive an additional annual retainer of $5,000 for such service.

5. *Research and Development Committee*. A Non-Employee Director serving as Chairperson of the Research and Development Committee shall receive an additional annual retainer of $12,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Research and Development Committee shall receive an additional annual retainer of $6,000 for such service.

C. Payment of Retainers. The annual retainers described in Sections I(A) and I(B) shall be earned on a quarterly basis based on a calendar quarter and shall be paid in cash by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section I(B), for an entire calendar quarter, the retainer paid to such Non-Employee Director shall be prorated for the portion of such calendar quarter actually served as a Non-Employee Director, or in such position, as applicable.

II. EQUITY COMPENSATION

Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2016 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "**Equity Plan**") and shall be granted subject to award agreements, including attached exhibits, in substantially the form previously approved by the Board or its delegate. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all grants of stock options and RSUs hereby are subject in all respects to the terms of the Equity Plan and the applicable award agreement. For the avoidance of doubt, the share numbers in Sections II(A) and II(B) shall be subject to adjustment as provided in the Equity Plan, including without limitation with respect to any stock dividend, stock split, reverse stock split or other similar event affecting the Company's common stock that is effected prior to the Effective Date.

A. Initial Awards. Each Non-Employee Director who is initially elected or appointed to the Board after the Effective Date shall receive an option to purchase 228,000 shares of the Company's common stock and 178,000 RSUs on the date of such initial election or appointment, except that a Non-Employee Director serving as Lead Independent Director shall receive an option to purchase 248,000 shares of the Company's common stock and 178,000 RSUs. The awards described in this Section II(A) shall be referred to as "**Initial Awards**." Each Non-Employee Director who is providing service on January 2, 2024, shall also receive an Initial Award on such date. No Non-Employee Director shall be granted more than one Initial Award (consisting of both options and RSUs).

B. Subsequent Awards. A Non-Employee Director who (i) has been serving as a Non-Employee Director on the Board for at least six months as of the date of grant of any award made under this Program and (ii) will continue to serve as a Non- Employee Director immediately following such date, shall be automatically granted an option to purchase 114,000 shares of the Company's common stock and 89,000 RSUs on the first business day of each new calendar year starting with January 1, 2025, provided, however that if such Non-Employee Director will serve as Chairperson of the Board as of immediately following the date of such date of grant, such Non-Employee Director shall receive an option to purchase

120,000 shares of the Company's common stock and 78,000 RSUs on the first business day of each new calendar year. The awards described in this Section II(B) shall be referred to as "***Subsequent Awards***." For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an annual meeting of the Company's stockholders shall only receive an Initial Award in connection with such election, and shall not receive any Subsequent Award on the date of such meeting as well.

C. Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section II(A) above, but to the extent that they are otherwise entitled, will receive, after termination from employment with the Company and any parent or subsidiary of the Company, Subsequent Awards as described in Section II(B) above.

D. Terms of Awards Granted to Non-Employee Directors

1. *Exercise Price*. The per share exercise price of each option granted to a Non-Employee Director shall equal the Fair Market Value (as defined in the Equity Plan) of a share of common stock on the date the option is granted.

2. *Vesting*. Each Initial Award that is an option shall vest and become exercisable in thirty-six (36) substantially equal monthly installments following the date of grant, such that the Initial Award shall be fully vested on the third anniversary of the date of grant, subject to the Non-Employee Director continuing in service as a Non-Employee Director through each such vesting date. Each Initial Award that is an RSU shall vest and become exercisable in three (3) substantially equal annual installments following the date of grant, such that the Initial Award shall be fully vested on the third anniversary of the date of grant, subject to the Non-Employee Director continuing in service as a Non-Employee Director through each such vesting date. Each Subsequent Award shall vest and become exercisable on the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board as a Non-Employee Director through each such vesting date. Unless the Board otherwise determines, any portion of an Initial Award or Subsequent Award which is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board as a Non-Employee Director shall be immediately forfeited upon such termination of service and shall not thereafter become vested and exercisable. All of a Non-Employee Director's Initial Awards and Subsequent Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

3. *Term*. The maximum term of each stock option granted to a Non-Employee Director hereunder shall be ten (10) years from the date the option is granted.

III. COMPENSATION LIMITS

Notwithstanding anything to the contrary in this Program, all compensation payable under this Program will be subject to any limits on the maximum amount of Non-Employee Director compensation set forth in the Equity Plan, as in effect from time to time.

* * * * *

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of this 11th day of May, 2018, between 704 Quince Orchard Owner, LLC, a Delaware limited liability company ("**Landlord**"), and Cartesian Therapeutics, Inc., a Delaware Corporation ("**Tenant**").

BASIC LEASE PROVISIONS

Address: 704 Quince Orchard Road, Gaithersburg, Maryland.

Premises: That portion of the Project, containing approximately 4762 rentable square feet, as determined by Landlord, as shown on Exhibit A.

Project: The real property on which the building (the "**Building**") in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on Exhibit B.

Base Rent: [***] per rentable square foot per year.

Rentable Area of Premises: 4,762 rentable square feet.

Rentable Area of Project: 79,747 rentable square feet.

Tenant's Share of Operating Expenses: [***]

Security Deposit: [***]

Target Commencement Date: November 1, 2018

Rent Commencement Date: [***] months following the Commencement Date

Rent Adjustment Percentage: [***]

Base Term: Beginning on the Commencement Date and ending Sixty-Six (66) months from the first day of the first full month of the Term (as defined in Section 2) hereof

Permitted Use: Office and related uses, research, experimental, testing, and manufacturing laboratory use and related uses, in each case in compliance with the provisions of Section 7 hereof.

Address for Rent Payment: [***]

Landlord's Notice Address: [***]

Tenant's Notice Address: [***]

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

X **EXHIBIT A** - DRAWING SHOWING PREMISES
X **EXHIBIT B** - DESCRIPTION OF PROJECT
X **EXHIBIT C** - WORK LETTER
X **EXHIBIT C-1** - SPACE PLAN
X **EXHIBIT D** - COMMENCEMENT DATE
X **EXHIBIT E** - RULES AND REGULATIONS
X **EXHIBIT F** - TENANT'S PERSONAL PROPERTY
SCHEDULE - UTILITIES
SCHEDULE 1 - BUILDING RENOVATIONS
SCHEDULE 2 - CRIP

1. **Lease of Premises.** Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas.**" The Common Areas shall include, but not be limited to (a) the loading docks and freight elevators serving the Building,
(b) the lavatories on the floor of the Building on which the Premises are located, (c) the heating, ventilating, air conditioning, plumbing, electrical, emergency and other mechanical systems and equipment serving the Premises in common with other portions of the Building, and (d) Building Amenities as described in Schedule 1 which is attached hereto. In addition to other rights reserved herein or by law, Landlord reserves the right from time to time, without materially adversely affecting Tenant’s normal operations in the Premises or Tenant’s access to the Premises (except in an emergency): (i) to make additions to or reconstruction of the Building and Project and to install, use, maintain, repair, replace and relocate for service to the Premises or other parts of the Building or Project, pipes, ducts, conduits,

wires and appurtenant fixtures, wherever located in the Premises, Building or elsewhere in the Project, provided that any of the foregoing to be located in the Premises shall be wherever practical in the plenums of the ceilings of the Premises (or, if there is no drop ceiling, within the space above 8 feet of any floor of the Premises) or within existing walls, and coring therefor between the ceiling or top surface of the any portion of the Premises and the space above the Premises in the plenum or below the top of the Premises as aforesaid; and (ii) to modify, relocate or make additions to or reductions from any Common Area or facility.

2. **Clean Rooms Installation Prerequisite; Delivery; Acceptance of Premises; Commencement Date**.

Landlord shall use reasonable diligence to complete the items listed on Schedule 2 to this Lease, ("**CRIP**") on or before [***], ("**CRIP Date**") failing which, and as its sole and exclusive remedy for same, the Tenant shall be entitled [***] days of additional Base Rent Abatement for each day beyond the CRIP Date ("**Clean Room Delay Penalty**") that the CRIP is not completed, provided that no Clean Room Delay Penalty shall be incurred if and to the extent the failure to complete the CRIP items is due to Force Majeure or Tenant Delay.

Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with (x) Landlord's Work Substantially Completed, (y) a certificate of occupancy ("C of O") issued for the Premises (except that if a C of O is not available due solely to Tenant's installations in the Premises that remain to be completed, a C of O shall not be a condition precedent to Delivery) and (z) Building Renovations described in Schedule 1 substantially Completed ("**Delivery**"), in material compliance with all applicable Legal Requirements. Notwithstanding the foregoing provisions of this paragraph: (i) Landlord shall not be responsible for any Delay Penalty, to the extent that if Landlord has incurred a Clean Room Delay Penalty (i.e., if Tenant is then accruing a Clean Room Delay Penalty on [***], Tenant will not accrue a simultaneous Delay Penalty for that period), and (ii) Tenant shall have a period of [***] days after Landlord's delivery of the Premises to Tenant to reasonably identify in writing any latent defects in the mechanical, electrical and plumbing systems serving the Premises. For purposes of this paragraph, "latent defects" means those material defects in such systems that could not have been identified or discovered through a reasonable inspection of such systems conducted by a qualified technician. Landlord will promptly repair such identified defects. If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein; provided however, that Tenant shall be entitled to [***] days of additional Base Rent Abatement for each day beyond [***] that Landlord has failed to Deliver the Premises ("Delay Penalty") other than by reason of Tenant Delay or Force Majeure. If Landlord does not Deliver the Premises within [***] days of the Target Commencement Date for any reason other than Force Majeure and Tenant Delays**,** this Lease may be terminated by Tenant by written notice to Landlord, and if so terminated: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work," "Tenants' Work," and "Tenant Delays**" and "**Substantially Completed**" shall have the meaning**s** set forth for such terms in the Work Letter. "**Force Majeure**" shall have the meaning set forth in Section 34. If Tenant does not elect to void this Lease within [***] days of the lapse of such [***]-day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect. The "**Commencement Date**" shall be the earliest of: (i) the date Landlord Delivers the Premises to Tenant; (ii) the date Landlord could have Delivered the Premises but for Tenant Delays; and (iii) the date Tenant conducts any business in the Premises or any part thereof. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as Exhibit D; provided, however, absent manifest error, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above in the Basic Lease Provisions **-** and any Extension Terms which Tenant may elect pursuant to Section 39 hereof.

Except as set forth in the Work Letter, if applicable, and subject to Landlord's other obligations under this Lease: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the

Premises by Tenant before the Commencement Date for the purpose of installing equipment or fixtures shall be subject to all of the terms and conditions of this Lease, other than the obligation to pay Base Rent or Additional Rent.

Tenant agrees and acknowledges that, except as expressly provided in this Lease, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein.

3. **Rent**.

(a) **Base Rent**. The first full calendar month's Base Rent and the Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, except as otherwise expressly provided in this Lease, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. If the Rent Commencement Date is other than the first day of a calendar month, the difference between the first full calendar month's Base Rent paid upon delivery of an executed copy of this Lease by Tenant to Landlord as required above, and the prorated Base Rent for the fractional month in which the Rent Commencement Date occurs, shall be applied by Landlord to such first full calendar month after the Rent Commencement Date. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set- off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

(b) **Additional Rent.** In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "Operating Expenses" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**.

(a) **Base Rent Abatement:** Notwithstanding anything to the contrary contained in this Lease, but provided Tenant is not in Default under any material provision hereof, Landlord hereby grants Tenant an abatement of the Base Rent payable during the period beginning on the Commencement Date and ending [***] months after the Commencement Date ("**Base Rent Abatement**"). For the avoidance of doubt, if the Commencement Date occurs on the first day of a month, the Base Rent Abatement will be measured from that date. If the Commencement Date occurs on a day other than the first day of a month, the Base Rent Abatement will be measured from the first day of the following month. Except as provided in the preceding sentences, Tenant shall pay the full amount of Base Rent due in accordance with the provisions of this Lease. The administration rent set forth in Section 5 below shall not be abated and shall be based on the amount of Base Rent that would have been payable but for the Base Rent Abatement. Notwithstanding anything to the contrary in this Section 4(a), the adjustment in the Base Rent as set forth in this Section 4 shall be based on the full and unabated amount of Base Rent payable for the first [***] month period from and after the Commencement Date.

(b) **Adjustment.** Base Rent shall be increased on each annual anniversary of the first day of the first full month during the Term of this Lease (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the "**Annual Estimate**") which may be revised by Landlord from time to time during such calendar year. During each month of the Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to $1/12^{th}$ of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the operation, maintenance, repair, and management of the Project (including, without duplication, Taxes (as defined in Section 9), capital repairs, in accordance with GAAP improvements and replacements amortized over the useful life of such capital repairs, improvements and replacements, and the costs of Landlord's third party property manager or, if there is no third party property manager, administration rent in the amount of [***] of Base Rent (including Base Rent that would have been due with respect to any free rent period), excluding only:

(a) Costs incurred with respect to the structural components of the Building, including exterior walls, foundation, roof, windows, loading docks, exterior doors and any replacements to the roads and parking surfaces

(b) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;

(c) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(d) depreciation of the Project (except for capital repairs, improvements and replacements, the cost of which are includable in Operating Expenses);

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs of utilities outside normal business hours sold to tenants of the Project;

(i) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(j) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(k) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(l) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(m) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(n) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(o) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(p) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(q) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(r) costs incurred in the sale or refinancing of the Project;

(s) net income taxes of Landlord or the owner of any interest in the Project, franchise, transfer, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(t) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project;

(u) the cost to make improvements, alterations and additions to the Property which are required in order to render the same in compliance with Legal Requirements existing as of the date of this Lease;

(v) the cost of environmental monitoring, compliance, testing and remediation performed in, on, about and around the Property;

(w) the cost of removing or encapsulating any asbestos in the Project;

(x) the cost to obtain or maintain LEED or any third party rating or certification for the Building or to make the Building certifiable;

In addition, notwithstanding anything to the contrary contained in this Lease, Operating Expenses incurred or accrued by Landlord with respect to any capital improvements that are reasonably expected by Landlord to reduce overall Operating Expenses (for example, without limitation, by reducing energy usage at the Project) (the "**Energy Savings Costs**") shall be amortized over a period of years equal to the least of (A) the useful life of such capital items, and (B) the quotient of (i) the Energy Savings Costs, divided by (ii) the annual amount of Operating Expenses actually saved as a result of such capital improvements.

Within [***] days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within [***] days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within [***] days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if

Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such [***] day period, Tenant reasonably and in good faith questions or contests the accuracy of the Annual Statement, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have a regionally recognized independent public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within [***] days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within [***] days after delivery of such statement. If any such Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than [***] then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review.

"**Tenant's Share**" shall be the percentage set forth in the Basic Lease Provisions as Tenant's Share: Any Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use (it being agreed that [***] of the property management fee or administration rent for property management, which is calculated based on Base Rent, is for a service related only to the Premises). Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

The Security Deposit shall be held by Landlord without obligation for interest thereon as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or part of the Security Deposit to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Upon any such use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to its original amount. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee; no interest shall accrue thereon. Landlord shall be released from any obligation with respect to the Security Deposit upon transfer of this Lease and the Premises to a person or entity assuming Landlord's obligations under this Section 6, provided that the Security Deposit is transferred to such person or entity. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. The Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within [***] days after the expiration or earlier termination of this Lease.

6. **Use; Energy Use Reporting**

(a) **Use.** The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon [***] days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy primarily by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water for equipment and improvements in excess of the capacities shown in the Utilities Schedule attached hereto.

(b) **Energy Use Reporting**. Tenant agrees to provide, promptly following any written request by Landlord, such information and documentation in Tenant's possession as may be needed for compliance with the energy or sustainability requirements as may be adopted from time to time by any Governmental Authority (as defined below) with jurisdiction over the Building, which information shall include without limitation usage at or by the Premises of electricity, natural gas, steam, hot or chilled water or other energy. Landlord shall report to the applicable Governmental Authority such energy usage for the Building and other Building information as required by such Governmental Authority.

7. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to [***] of Base Rent in effect during the last [***] days of the Term, plus all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

8. **Taxes**. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term,

including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include excess profits taxes, franchise taxes, gift taxes, capital stock taxes, mortgage recording taxes, transfer taxes, inheritance and succession taxes, estate taxes, and any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Operating Expenses hereunder shall also include the cost of tax monitoring services provided to Landlord with respect to the Project. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord within [***] days after receipt of an invoice and appropriate backup information.

9. **Parking**. Subject Force Majeure or a Taking (as defined in Section 19 below), Tenant shall have the right, in common with other tenants of the Project, at no additional charge, to park in those areas located on the Project designated for non-reserved parking with at least [***] parking spaces per [***] square feet of Rentable Area of the Premises at all times available for Tenant, subject in each case to Landlord's rules and regulations.

10. **Utilities, Service.** Landlord shall provide, or cause to be provided, subject to the terms of this Section 10, water, electricity, heat, light, power, air conditioning, telephone, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and refuse and trash collection and janitorial services (collectively, "Utilities"). Utilities, see Schedule attached hereto and incorporated herein which reflects the approximate capacities of cooling, heating, power, water and sewer for the Building and the Premises. Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. Landlord may cause, at Landlord's expense, any Utilities to be separately metered or charged directly to Tenant by the provider. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Tenant agrees to provide Landlord with access to Tenant's water and/or energy usage data on a monthly basis, either by providing Tenant's applicable utility login credentials to Landlord's designated online portal, or by another delivery method reasonably agreed to by Landlord and Tenant. The costs and expenses incurred by Landlord in connection with receiving and analyzing such water and/or energy usage data (including, without limitation, as may be required pursuant to applicable Legal Requirements) shall be included as part of Operating Expenses.

Notwithstanding anything to the contrary set forth herein, if (i) a stoppage of an Essential Service (as defined below) to the Premises shall occur and such stoppage is due solely to the negligent acts or omissions of Landlord and not due in any part to any act or omission on the part of Tenant or any Tenant Party or any matter beyond Landlord's reasonable control (any such stoppage of an Essential Service being hereinafter referred to as a "**Service Interruption**"), and (ii) such Service Interruption continues for more than [***] consecutive business days after Landlord

shall have received written notice thereof from Tenant, and (iii) as a result of such Service Interruption, the conduct of Tenant's normal operations in the Premises are materially and adversely affected, then there shall be an abatement of [***] day's Base Rent and Additional Rent for each day during which such Service Interruption continues after such [***] business day period; provided, however, that if any part of the Premises is reasonably useable for Tenant's normal business operations or if Tenant conducts all or any part of its operations in any portion of the Premises notwithstanding such Service Interruption, then the amount of each daily abatement of Base Rent shall only be proportionate to the nature and extent of the interruption of Tenant's normal operations or ability to use the Premises. The rights granted to Tenant under this paragraph shall be Tenant's sole and exclusive remedy resulting from a failure of Landlord to provide Essential Services, and Landlord shall not otherwise be liable for any loss or damage suffered or sustained by Tenant resulting from any failure or cessation of Essential Services. For purposes hereof, the term "**Essential Services**" shall mean the following services: access to the Premises, water, sewer, HVAC, and electricity, but in each case only to the extent that Landlord has an obligation to provide same to Tenant under this Lease. The provisions of this paragraph shall not apply to any sublessee of Tenant.

11. **Emergency Generator.** Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators; with the approximate output specifications reflected on the Utilities Schedule, and (ii) to contract with a reputable and experienced third party to maintain the emergency generators as per the manufacturer's standard maintenance and testing guidelines. Except as expressly provided herein, Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed. Provided that Landlord has performed its obligations under this Section 11, Landlord shall not be liable to Tenant or any other person for any damages of any type, whether actual or consequential, suffered by Tenant or any such other person in the event that any emergency generator or back-up power or any replacement thereof fails or does not provide sufficient power.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld or delayed. Notwithstanding the foregoing, Tenant may construct nonstructural Alterations in the Premises which do not affect the Building Systems without Landlord's prior approval if the aggregate cost of all such work in any [***] month period does not exceed [***] (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than [***] days in advance of any proposed construction. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's reasonable discretion. Any request for approval shall be in writing, delivered not less than [***] days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to [***] of all charges incurred by Tenant or its contractors or agents in connection with Notice – Only

Alterations and [***] of all charges incurred by Tenant or its contractors or agents in connection with all other Alterations to cover Landlord's overhead and expenses for plan review, coordination, scheduling and supervision. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Other than (i) the items, if any, listed on **Exhibit F** attached hereto, (ii) any items agreed by Landlord in writing to be included on **Exhibit F** in the future, and (iii) any trade fixtures, machinery, equipment and other personal property not paid for out of the TI Fund (as defined in the Work Letter) which may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, "**Tenant's Property**"), all property of any kind paid for with the TI Fund, all Alterations (other than Notice-Only Alterations), real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises such as fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, "**Installations**") shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 28 following the expiration or earlier termination of this Lease; provided, however, that Landlord shall, at the time its approval of such Installation is requested notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease. If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant's Property which was plumbed, wired or otherwise connected to any of the Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

13. **Landlord's Repairs**. Landlord, as an Operating Expense to the extent provided in Section 5, shall maintain, or cause to be maintained, all of the structural, exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, officers, directors, managers, invitees, contractors, subcontractors, subtenants, assignees or licensees (each, a "**Tenant Party**", or collectively, "**Tenant Parties**") excluded. Subject to Section 17 regarding waiver of claims and subrogation, losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, give Tenant at least [***] hours' advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section after which Landlord shall have a reasonable opportunity to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such

matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls, reasonable wear and tear and damage by fire or other casualty excepted. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within [***] days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within [***] days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens**. Excluding Landlord's Work, Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within [***] days after notice of the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification**. Tenant hereby indemnifies, and agrees to defend, save and hold Landlord and Landlord's members, shareholders, partners, officers, directors, managers, employees, agents, contractors, successors and assigns harmless from and against any and all claims for injury or death to persons or damage to property occurring within or about the Premises, Building or Project, arising directly or indirectly out of: (a) the conduct of Tenant's business or the use or occupancy of the premises, Building or Project by Tenant or any Tenant Party (including without limitation any act, omission or neglect by Tenant or any Tenant Party), except to the extent caused by the willful misconduct or negligence of Landlord or (b) a breach or default by Tenant in the performance of any of its obligations hereunder. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises), except caused by the willful misconduct or negligence of Landlord (subject to Section 17 and 36 below), Tenant further hereby irrevocably waives any and all claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party or Tenant Party.

Landlord hereby indemnifies and agrees to defend, save and hold Tenant harmless from and against any and all claims for injury or death to persons or damage to property occurring within or about the Project, arising directly or indirectly out of a breach or default by Landlord in the performance of any of its obligations hereunder, or the willful misconduct or gross negligence of Landlord or the Landlord Parties.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Projector such lesser coverage amount as Landlord may elect provided such coverage amount is not less than [***] of such full replacement cost. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than [***] for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and

earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than [***] per occurrence for bodily injury and property damage with respect to the Premises The commercial general liability insurance policy shall name Landlord, its officers, directors, employees, managers (collectively, "**Landlord Parties**") and Alexandria Real Estate Equities, Inc., as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A- and financial category rating of at least Class VII in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless [***] days prior written notice shall have been given to Landlord from the insurer; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Certificates of insurance showing the limits of coverage required hereunder and showing each of Landlord, Alexandria Real Estate Equities, Inc. and the Landlord Parties designated by Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least [***] days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, or actually maintained by such party, whichever is greater, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project.

18. **Restoration**. If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within [***] days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed [***] months (the "**Maximum Restoration**

Period"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 5 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds, promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant - unless covered by the insurance Landlord maintains as an Operating Expense hereunder, in which case such improvements shall be included, to the extent of such insurance proceeds, in Landlord's restoration), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Tenant may terminate this Lease by written notice to landlord, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 45 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either party may terminate this Lease if the Premises are damaged during the last **1 year** of the Term and Landlord reasonably estimates that it will take more than **6 months** to repair such damage, or if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained of such casualty until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by either party this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant’s Property, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default**. Each of the following events shall be a material default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due, provided that Tenant shall have [***] days after written notice from Landlord in which to cure such monetary default, such cure right to be provided not more than [***] times during any [***] consecutive month period.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least [***] days before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within [***] days of the action.

(e) **Liens**. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within [***] days after any such lien is filed against the Premises.

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief which is not dismissed within [***] days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement.** Tenant fails to execute any document required from Tenant under Sections 23 or 27 within [***] business days after a [***] notice from Landlord requesting such document.

(h) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of [***] days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than [***] days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said [***] day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than [***] days from the date of Landlord's notice.

21. **Landlord's Remedies.**

(a) **Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to

[***] per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within [***] days after the date such payment is due, Tenant shall pay to Landlord an additional sum of [***] of the overdue Rent as a late charge (provided that Tenant shall not be required to pay such late charge upon the first occurrence of a late payment by Tenant of Rent. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the [***] day after the date due until paid.

(c) **Re-Entry.** Landlord shall have the right, immediately or at any time thereafter, without further notice to Tenant (unless otherwise provided herein),in accordance with applicable law, to enter the Premises, without terminating this Lease or being guilty of trespass, and do any and all acts as Landlord may deem necessary, proper or convenient to cure such default, for the account and at the expense of Tenant, and Tenant agrees to pay to Landlord as Additional Rent all damage and/or expense incurred by Landlord in so doing, including interest at the Default Rate, from the due date until the date payment is received by Landlord.

(d) **Termination.** Landlord shall have the right to terminate this Lease and Tenant's right to possession of the Premises and, in accordance with applicable law, take possession of the Premises and remove Tenant, any occupant and any property therefrom, without being guilty of trespass and without relinquishing any rights of Landlord against Tenant, any notice to quit, or notice of Landlord's intention to re-enter being hereby expressly waived. Landlord shall be entitled to recover damages from Tenant for all amounts covenanted to be paid during the remainder of the Term (except for the period of any holdover by Tenant, in which case the monthly rental rate stated at Section 8 herein shall apply), which may be accelerated by Landlord at its option, together with (i) all expenses of any proceedings (including, but not limited to, legal expenses and attorney's fees) which may be necessary in order for Landlord to recover possession of the Premises, (ii) the expenses of the re-renting of the Premises (including, but not limited to, any commissions paid to any real estate agent, advertising expense and the costs of such alterations, repairs, replacements or modifications that Landlord, in its sole judgment, considers advisable and necessary for the purpose of re-renting), and (iii) interest computed at the Default Rate from the due date until paid; provided, however, that there shall be credited against the amount of such damages all amounts received by Landlord from such re-renting of the Premises, with any overage being refunded to Tenant. Landlord shall in no event be liable in any way whatsoever for failure to re-rent the Premises or, in the event that the Premises are re-rented, for failure to collect the rent thereof under such re-renting and Tenant expressly waives any duty of the Landlord to mitigate damages. No act or thing done by Landlord shall be deemed to be an acceptance of a surrender of the Premises, unless Landlord shall execute a written agreement of surrender with Tenant. Tenant's liability hereunder shall not be terminated by the execution of a new lease of the Premises by Landlord, unless that new lease expressly so states. In the event Landlord does not exercise its option to accelerate the payment of amounts owed as provided hereinabove, then Tenant agrees to pay to Landlord, upon demand, the amount of damages herein provided after the amount of such damages for any month shall have been ascertained; provided, however, that any expenses incurred by Landlord shall be deemed to be a part of the damages for the month in which they were incurred. Separate actions may be maintained each month or at other times by Landlord against Tenant to recover the damages then due, without waiting until the end of the term of this Lease to determine the aggregate amount of such damages. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or being dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

(e) **Intentionally Omitted.**

(f) **Intentionally Omitted.**

(g) **Suspension of Funding/Performance**. Upon a Default by Tenant hereunder and during the continuance thereof, Landlord shall have the right to suspend funding of any TI Allowance or the performance of Landlord's Work (and such suspension shall constitute a Tenant Delay).

(h) **Other Remedies**. Upon a Default by Tenant hereunder and in addition to any other remedy available to Landlord under this Lease or otherwise, Landlord shall be entitled to recover damages from Tenant the amount of the Base Rent abated pursuant to Section 4. In addition to the remedies set forth in this Section 21, Landlord, at its option, without further notice or demand to Tenant, shall have all other rights and remedies provided at law or in equity.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 49% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding anything to the contrary contained in this Section 22, any transfer of ownership interests in the Tenant for purposes of estate planning, tax structuring, or in connection with an initial public offering on a recognized public equities exchange, shall not constitute an assignment of this Lease and shall not require the prior consent of Landlord.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below, then at least [***] business days, but not more than [***] business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within [***] business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, which consent shall not be unreasonably withheld, conditioned or delayed (provided that Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting), or (iv) terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date provided that such Assignment Notice was for an assignment of this Lease or a proposed sublease of the entire Premises for the remainder of the Term (an "**Assignment Termination**"). If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within [***] business days after Landlord's notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect. If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to [***] in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents.

Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control**

Permitted Assignment") shall not be required, provided that Landlord shall have the right to approve the form of any such sublease or assignment, which approval shall not be unreasonably withheld, conditioned or delayed. In addition, Tenant shall have the right to assign this Lease, upon [***] days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the date of Tenant's most current quarterly or annual financial statements, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease (a "**Corporate Permitted Assignment**"). Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**."

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in Default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease) ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder [***] of such Excess Rent within [***] days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term,

covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee.** Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an 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), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate.** Tenant shall, within [***] business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not then in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations.** All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non- disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease

shall be deemed to include deeds of trust, security assignments, ground leases or other superior leases and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the condition it is required to be maintained under this Lease, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than Landlord or its officers, directors, employees, managers, agents and/or contractors ("**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non- proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed [***]. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, 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/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such breach of Tenant's obligation stated in the preceding sentence or as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or the Project.

(b) **Business.** Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least [***] a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in [***] months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord

with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant 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 Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing**. Landlord shall have the right to conduct [***] tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall not be required to pay the cost of such annual test of the Premises. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all reasonable, out of pocket costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Underground Tanks**. Tenant shall not install, use, or operate any underground storage tanks on the Project without the Landlord’s prior written consent, which may be given or withheld in Landlord’s sole discretion (and which may be withheld if any Mortgagee (as defined in Section 27) does not provide its prior written consent therefore). If Tenant installs, uses, or operates such underground storage tanks as provided in this Section, Tenant shall maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(f) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(g) **Definitions.** As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans,

animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within [***] days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of [***] days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease. Landlord and Landlord's representatives may enter the Premises during business hours on not less than [***] hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last [***] of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant and amend easements, make public dedications, designate Common Areas and create and amend restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Except for the payment of Base Rent and Additional Rent, neither party shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of [***] ("**Force Majeure**").

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker)** in connection with this transaction and that no Broker brought about this transaction **other than Scheer Partners, Inc. as a dual agent for both Landlord and Tenant**. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

36. **Limitation on Landlord's Liability.** NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY:
(A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Suite entry signs and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

39. **Right to Extend Term.** Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Rights**. Tenant shall have [***] consecutive right (an "**Extension Right**") to extend the term of this Lease for [***] years (an "**Extension Term**") on the same terms and conditions as this Lease (other than Base Rent) by giving Landlord written notice of its election to exercise such Extension Right at least [***] months prior to the expiration of the Base Term of the Lease.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below. Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "**Market Rate**" shall mean the then market rental rate as determined by Landlord and agreed to by Tenant.

Within [***] days of the delivery to Landlord of Tenant's written notice of Tenant's election to exercise an Extension Right, Landlord shall deliver to Tenant Landlord's determination of the Market Rate and the rent escalations for such Extension Term. If, on or before the date which is [***] days prior to the expiration of the Base Term of this Lease, or the expiration of any prior Extension Term, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations for such subsequent Extension Term, Tenant may by written notice to Landlord delivered not later than [***] days prior to the expiration of the Base Term of this Lease, elect arbitration as described in Section **42**(b) below. If Tenant does not elect such arbitration, Tenant shall be deemed to have accepted Landlord's determination of the Market Rate.

(b) **Arbitration.**

(i) Within [***] days of Tenant's notice to Landlord of its election to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within [***] days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within [***] days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within [***] business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon [***] days' prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within [***] days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than [***] years of experience in the appraisal of improved office and high tech industrial real estate in the greater Washington, D.C. metropolitan area, or (B) a licensed commercial real estate broker with not less than [***] years experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Washington, D.C. metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal.** Extension Rights are personal to Tenant and any successor by Permitted Assignment.

(d) **Exceptions**. Notwithstanding anything set forth above to the contrary, Extension Rights shall not be in effect and Tenant may not exercise any of the Extension Rights:

(i) during any period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant is not in occupancy of the entire Premises demised hereunder at the time of the exercise of any such Extension Right, or

(iii) if any party other than the party originally named as Tenant in the Basic Lease Provisions or any successor by Permitted Assignment occupies the Premises or any part thereof both at the time of the exercise of any such Extension Right and at the time of the commencement of any such Extension Term.

(e) **No Extensions**. The period of time within which any Extension Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Rights.

(f) **Termination**. The Extension Rights shall terminate and be of no further force or effect even after Tenant's due and timely exercise of an Extension Right, if, after such exercise, but prior to the commencement date of an Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or
(ii) Tenant has Defaulted [***] or more times during the period from the date of the exercise of an Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

40. **Roof Equipment**. As long as Tenant is not in Default under this Lease, Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building (based on Tenant's proportionate share of the space available on the roof) directly above the Premises **Roof Equipment** (having a diameter and height acceptable to Landlord) (collectively, the "**Roof Equipment**") on the following terms and conditions:

(a) **Requirements**. Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any of the insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leasable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof**. If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building located directly above the Premises and only in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within [***] days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

(c) **Protection**. The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment.

(d) **Removal**. At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building. Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) **No Interference**. The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building. Tenant acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that Tenant's right to install and operate the Roof Equipment is subject and subordinate to the rights of such other tenants. Tenant agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Roof Equipment.

(f) **Relocation**. Landlord shall have the right, at its expense and after [***] days prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment.

(g) **Access**. Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, Tenant shall give Landlord at least [***] hours' advance written or oral notice, except in emergency situations, in which case [***] hours' advance oral notice shall be given by Tenant. Landlord shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance**. If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) **No Assignment**. The right of Tenant to use and operate the Roof Equipment shall be personal solely to Tenant, and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (ii) Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof.

41. **Miscellaneous.**

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Upon written request, Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent reviewed annual financial statements (or audited financial statements, if available) within [***] days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within [***] days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for

prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. If the stock of Tenant is publicly traded on a recognized national exchange, then Tenant's filing of quarterly and annual financial statements with the Securities and Exchange Commission shall be deemed to satisfy Tenant's obligations to deliver financial statements under this Section.

(d) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Entire Agreement; Amendment**. This Lease constitutes the entire agreement between Landlord and Tenant pertaining to the lease of the Premises and supersedes all other agreements, whether oral or written, pertaining to the lease of the Premises, and no other agreements with respect thereto shall be effective. Any amendments or modifications of this Lease shall be in writing and signed by both Landlord and Tenant, and any other attempted amendment or modification of this Lease shall be void.

(h) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(i) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(j) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

(k) **OFAC**. Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the Term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List or the Sectoral Sanctions Identifications List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(l) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(m) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **"Green" Certification.** Tenant acknowledges that Landlord may, but shall not be obligated to, seek to obtain Leadership in Energy and Environmental Design (LEED), WELL Building Standard, or other similar "green" certification with respect to the Project and/or the Premises, and Tenant agrees to reasonably cooperate with Landlord, and to provide such information and/or documentation as Landlord may reasonably request, in connection therewith.

Signatures on next page

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

CARTESIAN THERAPEUTICS, INC.,
a Delaware corporation,

By: /s/ Murat Kalayoglu, MD, Ph.D.
Murat Kalayoglu, MD, Ph.D.
Its: President

LANDLORD:

704 QUINCE ORCHARD OWNER, LLC,
a Delaware limited liability company

By: QUINCE ORCHARD I, LLC,
a Delaware limited liability company,
Sole Member

By: SCHEER 704Q MANAGER, LLC,
a Maryland limited liability company,
Manager

By: /s/ Robert Scheer
Robert Scheer
Manager

EXHIBIT A TO LEASE

DRAWING SHOWING

PREMISES

[***]

EXHIBIT B TO LEASE DESCRIPTION OF PROJECT

[***]

Work Letter

EXHIBIT C TO LEASE

[***]

EXHIBIT C-1 TO LEASE

[***]

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

[***]

EXHIBIT E TO LEASE

RULES AND REGULATIONS

[***]

[***]

EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

[***]

Utilities Schedule to Cartesian Lease

[***]

SCHEDULE 1 – BUILDING RENOVATIONS

[***]

SCHEDULE 2

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("**this First Amendment**") is dated as of March 22, 2021 ("**Effective Date**"), by and between **704 QUINCE ORCHARD OWNER, LLC**, a Delaware limited liability company, having an address at 26 North Euclid Avenue, Pasadena, California 91101 ("**Landlord**"), and **CARTESIAN THERAPEUTICS, INC**., a Delaware corporation, having an address at Suite 210, 704 Quince Orchard Road, Gaithersburg, Maryland 20878 ("**Tenant**").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement ("**Lease**") dated as of May 11, 2018, wherein Landlord leased to Tenant certain premises containing approximately 4,762 rentable square feet ("**Existing Premises**") located at Suite 210, 704 Quince Orchard Road, Gaithersburg, Maryland 20878, as more particularly described in the Lease.

B. Landlord and Tenant desire to amend the Lease to expand the Existing Premises by an additional 3,147 rentable square feet on the second floor ("**Expansion Premises**"), extend the Base Term for a period of 63 months after the Expansion Premises Commencement Date (as defined below), provide an abatement of Base Rent applicable to the Expansion Premises, increase the Security Deposit, identify certain work to be performed by Landlord in the Expansion Premises, and provide a right of first offer.

AGREEMENT

Now, therefore, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree that the Lease is amended as follows:

1. **Definitions**. Terms used in this First Amendment but not otherwise defined shall have the meanings set forth in the Lease.

2. **Expansion Premises**. Effective as of the Expansion Premises Commencement Date, (a) the Existing Premises shall be expanded to include the Expansion Premises, and (b) **Exhibit A-1** to this First Amendment, which depicts the Expansion Premises as the hatched area, is hereby added as **Exhibit A-1** to the Lease.

3. **Changes to Defined Terms**. Effective as of the Expansion Premises Commencement Date, the following amendments are hereby made to the definitions in the Basic Lease Provisions contained on pages 1 and 2 of the Lease.

a. The defined term "**Premises**" shall be deleted in its entirety and replaced with the following:

"**Premises**: That portion of the Project, containing approximately 7,909 rentable square feet, as determined by Landlord, consisting of (i) approximately 4,762 rentable square feet of space shown on **Exhibit A** attached hereto ("**Existing Premises**"), and (ii) approximately 3,147 rentable square feet of space shown as the hatched area on **Exhibit A-1** attached hereto ("**Expansion Premises**"). Gaudreau, Inc., Landlord's architect, has

measured the area of the Premises pursuant to the *BOMA 2017 for Office Buildings: Standard Methods of Measurement* as adopted by the Building Owners and Managers Association International (ANSI/BOMA Z65.1-2017), except that the core factor for the Building will not exceed [***]. Tenant acknowledges receipt of such measurement and confirms that such measurement shall be conclusive as to the area of the Premises and the Rentable Area of the Project."

b. The defined term "**Rentable Area of the Premises**" shall mean approximately 7,909 rentable square feet.

c. The defined term "**Tenant's Share of Operating Expenses**" shall mean [***].

d. The defined term "**Security Deposit**" shall mean [***].

4. **Delivery of Expansion Premises**. Landlord shall use reasonable efforts to deliver ("**Deliver**" or "**Delivering**") the Expansion Premises to Tenant on or before the date that is [***] months after the Effective Date, with the lease of the Expansion Premises commencing on the earlier to occur of the following ("**Expansion Premises Commencement Date**"): (a) the date that is [***] months after the Effective Date, provided that Landlord has Delivered the Expansion Premises by such date, and (b) Tenant's beneficial occupancy of the Expansion Premises. Landlord shall Substantially Complete (as defined below) Landlord's Expansion Premises Work (as defined below) before the Expansion Premises Commencement Date. If Landlord is delayed in Substantially Completing Landlord's Expansion Premises Work before the Expansion Premises Commencement Date because of a Force Majeure Delay, the Base Term (as extended by the First Extension Term as provided below) and the Expansion Premises Commencement Date shall each be extended one day for each day until such Force Majeure Delay no longer exists. Landlord and Tenant shall execute and deliver a written acknowledgement of the Expansion Premises Commencement Date when it is established in the form attached hereto as **Exhibit B** ("**Expansion Premises Commencement Date Acknowledgement**"). Any extension of the Base Term and the Expansion Premises Commencement Date as provided above shall be reflected in the Expansion Premises Commencement Date Acknowledgement. Tenant's failure to execute and deliver the Expansion Premises Commencement Date Acknowledgement shall not affect Landlord's rights under this First Amendment. If Landlord fails to Deliver timely the Expansion Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this First Amendment and the Lease with respect to the Expansion Premises shall not be void or voidable.

5. **Defined Terms**. For purposes of this First Amendment, (i) "**Landlord's Expansion Premises Work**" means the work to be performed in the Expansion Premises by Landlord at its expense as shown or described on **Exhibit C** attached hereto, (ii) "**Substantially Completed**" means the substantial completion of Landlord's Expansion Premises Work in a good and workmanlike manner subject in each case to Minor Variations and normal "punch list" items of a non-material nature that do not interfere with the use of the Expansion Premises, and (iii) "**Minor Variations**" means any modifications reasonably required: (A) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit; (B) to comport with good design, engineering, and construction practices that are not material; or (C) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord's Expansion Premises Work.

6. **Acceptance**. Except as set forth in this First Amendment, if applicable: (i) Tenant shall accept the Expansion Premises in their condition as of the Expansion Premises Commencement Date subject to the Substantial Completion of Landlord's Expansion Premises Work; (ii) Landlord shall have no obligation

for any defects in the Expansion Premises, and (iii) Tenant's taking possession of the Expansion Premises shall be conclusive evidence that Tenant accepts the Expansion Premises and that the Expansion Premises were in good condition at the time possession was taken.

a. **Condition**. Neither Landlord nor any of its agents has made any representation or warranty with respect to the condition of all or any portion of the Expansion Premises and/or the suitability of the Expansion Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Expansion Premises are suitable for the Permitted Use. Tenant shall use the Expansion Premises only for the Permitted Use under the Lease in compliance with the provisions of Section 6 of the Lease.

b. **Permits**. Landlord shall have no obligation to obtain any permits, approvals, or entitlements related to Tenant's specific use of the Expansion Premises or Tenant's business operations therein.

7. **Base Rent for Expansion Premises**. (a) Tenant shall continue to pay Base Rent for the Existing Premises at the rates set forth in the Lease, (b) commencing on the Expansion Premises Commencement Date (but subject to the Expansion Premises Rental Abatement [as defined below]), Base Rent for the Expansion Premises shall be payable at the rate of [***] per month. Notwithstanding any contrary provision contained in the Lease (as amended by this First Amendment), the Base Rent for the Expansion Premises shall be increased on each anniversary of the Expansion Premises Commencement Date by multiplying the Base Rent payable for the Expansion Premises immediately before such date by the Rent Adjustment Percentage (i.e., [***]) and adding the resulting amount to the Base Rent payable for the Expansion Premises immediately before such date. Base Rent for the Expansion Premises, as so adjusted, shall thereafter be due as provided in the Lease. On Tenant's execution of this Lease, it shall deliver to Landlord an amount equal to the first monthly installment of Base Rent for the Expansion Premises, i.e., [***]. For purposes of this First Amendment, the "**Expansion Premises Rent Commencement Date**" means the day after the last day of the period of [***] months after the Expansion Premises Commencement Date.

a. **Expansion Premises Rental Abatement**. Provided Tenant is not then in Default under this First Amendment or the Lease, Landlord hereby grants Tenant an abatement ("**Expansion Premises Rental Abatement**") of the Base Rent for the Expansion Premises for the period between the Expansion Premises Commencement Date and the day before the Expansion Premises Rent Commencement Date, i.e., [***] full calendar months. Thereafter, Tenant shall pay the full amount of Base Rent due in accordance with the provisions of this First Amendment and the Lease. The Expansion Premises Rental Abatement is conditioned on Tenant's full and faithful performance of all of the terms, covenants, and conditions of the Lease to be performed and observed by Tenant during the Term. On the occurrence of a Default by Tenant and in addition to any other rights and remedies available to Landlord under the Lease, the Expansion Premises Rental Abatement shall automatically cease as of the date of such Default, with that portion of the Expansion Premises Rental Abatement applicable to the remaining portion of the Expansion Premises Rental Abatement period being due and payable by Tenant to Landlord as Base Rent, and recoverable by Landlord under the Lease, on the termination of the Lease. The acceptance by Landlord of Rent or the cure of the Default that initiated the operation of this paragraph shall not be deemed a waiver by Landlord of the provisions of this paragraph unless specifically so stated in writing by Landlord at the time of such acceptance. Notwithstanding anything to the contrary in this First Amendment or the Lease, the adjustment in the Base Rent for the Expansion Premises shall be based on the full and unabated amount of Base Rent payable for the Expansion Premises during the [***] after the Expansion Premises Commencement Date.

b. **Tenant's Share of Operating Expenses**. In addition to Tenant paying Tenant's

Share of Operating Expenses for the Existing Premises, effective as of the Expansion Premises Commencement Date, Tenant shall begin to pay Tenant's Share of Operating Expenses for the Expansion Premises. As a result, effective as of the Expansion Premises Commencement Date, Tenant shall pay Tenant's Share of Operating Expenses for the entire Premises, i.e., [***].

8. **Increase in Amount of Security Deposit; Amendment to Section 5**. Tenant has previously delivered to Landlord a Security Deposit in the amount of [***]. By no later than the Effective Date Tenant shall deliver to Landlord a Letter of Credit (as defined below) in the amount of [***] ("**Increased Security Deposit**"). On receipt of the Letter of Credit, Landlord shall promptly return the cash deposit to Tenant in the amount of [***]. As of the Effective Date, the last paragraph of Section 5 of the Lease is hereby deleted in its entirety and replaced with the following new paragraph:

> Tenant shall deposit with Landlord, upon the Effective Date (as defined in that certain First Amendment to Lease Agreement between Landlord and Tenant), a security deposit ("**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the amount set forth in the Basic Lease Provisions, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit ("**Letter of Credit**"): (i) in form and substance satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft in the state of Landlord's choice. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least [***] days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit. The Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Upon any such use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to the amount set forth in the Basic Lease Provisions. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings involving Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Upon any such use of all or any portion of the Security Deposit, Tenant shall, within [***] days after demand from Landlord, restore the Security Deposit to its original amount. If Tenant shall fully perform every provision of this Lease to be performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within [***] days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 5, or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

9. **First Extension Term**. The Base Term of the Lease shall be for a period of 63 months beginning as of the Expansion Premises Commencement Date ("**First Extension Term**"). During the First Extension Term, the Base Rent for the Premises shall be adjusted on the Adjustment Date in the manner set forth in Section 4 of the Lease and Section 7 of this First Amendment.

10. **Amendment to Section 10 (Parking)**. Effective as of the Expansion Premises Commencement Date, the parking ratio (i.e., [***] parking spaces per [***] square feet of Rentable Area of the Premises) set forth in Section 10 of the Lease shall apply to the Expansion Premises as well.

11. **Amendment to Section 39 (Right of Extend Term); New Right to Negotiate**. In light of the First Extension Term, Section 39 of the Lease is hereby amended by deleting that provision in its entirety and replacing it with the following new Section 39 relating to a right to negotiate in favor of Tenant:

39. **Right to Negotiate**

(a) **Expansion in the Building**. If at any time any Available Space (as defined below) in the Project becomes available for lease, Landlord shall give notice of such availability to Tenant. Tenant shall have a period of [***] business days within which to notify Landlord whether to accept or reject the opportunity to expand the Premises. If Tenant elects to accept such expansion opportunity, Tenant shall notify Landlord in writing before the end of such [***] business day period. Tenant's failure to respond by the end of such [***] business day period shall conclusively mean that Tenant has rejected such expansion opportunity. If Tenant has timely accepted such expansion opportunity, Landlord shall thereafter, for a period of up to [***] days, negotiate in good faith with Tenant for Tenant's lease of such space on such terms as shall be acceptable to Landlord and Tenant ("**Negotiation Right**"). For purposes of this Section 39(a), "**Available Space**" shall mean any space located on the first or second floor in the Project that is not occupied by a tenant or that is occupied by an existing tenant whose lease is expiring within [***] months or less and such tenant does not wish to renew (whether or not such tenant has a right to renew) its occupancy of such space. Provided that no right to expand is exercised by any tenant with superior rights**,** Tenant shall be entitled to lease the Available Space upon the terms and conditions, if any, agreed to by Landlord and Tenant. **Exhibit G** attached hereto identifies those tenants with superior expansion rights.

(b) **Amended Lease**. If after the expiration of such [***] day period, no lease amendment or lease agreement for the Available Space has been executed and delivered, the Negotiation Right shall be waived and of no further force or effect with respect to the Available Space at any time during the balance of the Term.

(c) **Exceptions**. Notwithstanding the above, the Negotiation Right shall not be in effect and may not be exercised by Tenant: (i) during any period of time that Tenant is in Default under any provision of this Lease; or (ii) if Tenant has been in Default under any provision of this Lease [***] or more times, regardless of whether the Defaults are cured, during the [***] month period prior to the date on which Tenant seeks to exercise the Negotiation Right.

(d) **Termination**. The Negotiation Right shall terminate and be of no further force or effect even after Tenant's due and timely exercise of the Negotiation Right, if, after such exercise, but prior to the commencement date of the lease of such Available Space, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted [***] or more times during the period from the date of the exercise of the Negotiation Right to the date of the commencement of the lease of the Available Space, regardless of whether such Defaults are cured.

(e) **Right Personal**. The Negotiation Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease.

(f) **No Extensions**. The period of time within which the Negotiation Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Negotiation Right.

12. **Expansion Premises Signage**. Notwithstanding the provisions of Section 38 of the Lease, on or before the Expansion Premises Commencement Date, Landlord shall, at its expense, provide Tenant with building standard suite entry signage and one listing in the Building's lobby directory.

13. **Miscellaneous**.

a. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

b. This First Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective members, agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

c. This First Amendment may be executed in 2 or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000, such as DocuSign) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this First Amendment and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

d. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this First Amendment and that no Broker brought about this First Amendment, other than [***]. [***], acting pursuant to a dual agency relationship with Landlord and Tenant, shall be paid by Landlord pursuant to a separate agreement between Landlord and [***]. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than [***], claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this First Amendment.

e. Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Regardless of whether specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

[**SIGNATURES APPEAR ON NEXT PAGE**]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment under seal as of the day and year first above written.

LANDLORD:

704 QUINCE ORCHARD OWNER, LLC,
a Delaware limited liability company

BY: QUINCE ORCHARD I, LLC,
a Delaware limited liability company, Sole Member

By: SCHEER 704Q MANAGER, LLC,
a Maryland limited liability company, Manager

By: /s/ Robert Scheer (SEAL)
Robert Scheer Manager

TENANT:

CARTESIAN THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Murat Kalayoglu, MD, Ph.D. (SEAL)
Name Murat Kalayoglu, MD, Ph.D.
Title President

EXHIBIT A-1 TO FIRST AMENDMENT TO LEASE AGREEMENT EXPANSION PREMISES

[***]

EXHIBIT B TO FIRST AMENDMENT TO LEASE
Expansion Premises Commencement Date Acknowledgement

[***]

EXHIBIT C TO FIRST AMENDMENT TO LEASE AGREEMENT LANDLORD'S EXPANSION PREMISES WORK

[***]

EXHIBIT C TO FIRST AMENDMENT TO LEASE AGREEMENT LANDLORD'S EXPANSION PREMISES WORK—continued

[***]

EXHIBIT C TO FIRST AMENDMENT TO LEASE AGREEMENT LANDLORD'S EXPANSION PREMISES WORK—continued

[***]

EXHIBIT G TO LEASE
OTHER TENANTS WITH SUPERIOR EXPANSION RIGHTS

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "**Second Amendment**") is dated as of May 3, 2021, by and between **704 QUINCE ORCHARD OWNER, LLC**, a Delaware limited liability company, having an address at 26 North Euclid Avenue, Pasadena, California 91101 ("**Landlord**"), and **CARTESIAN THERAPEUTICS, INC**., a Delaware corporation, having an address at Suite 210, 704 Quince Orchard Road, Gaithersburg, Maryland 20878 ("**Tenant**").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement dated as of May 11, 2018 (the "**Original Lease**"), as amended by that certain First Amendment to Lease Agreement (the "**First Amendment**") dated as of March 22, 2021 (as amended, the "**Lease**") wherein Landlord leased to Tenant certain premises located at 704 Quince Orchard Road, Gaithersburg, Maryland 20878, as more particularly described in the Lease.

B. Landlord and Tenant desire to amend the Lease to increase the amount of the Security Deposit that Tenant shall deliver to Landlord. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and representations contained herein, the Parties agree as follows:

1. **Changes to Defined Terms**. Effective as of March 22, 2021, the following amendments are hereby made to the definitions in the Lease.

a. The defined term "**Security Deposit**" in Basic Lease Provision contained on page 1 of the Original Lease shall mean [***].

b. The defined term "**Increased Security Deposit**" in Section 8 of the First Amendment shall mean [***]. Accordingly, Section 8 of the First Amendment is hereby deleted in its entirety and replaced with the following paragraph:

"**Increase in Amount of Security Deposit.** Tenant has previously delivered to Landlord a Security Deposit in the amount of [***]. By no later than the Effective Date, Tenant shall deliver to Landlord an additional cash deposit in the amount of [***] for a total cash deposit of [***] ("**Increased Security Deposit**")."

2. **Miscellaneous**.

(a) This Second Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Second Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This Second Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

(c) This Second Amendment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this Amendment and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

(d) Landlord and Tenant each represent and warrant that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction, and that no Broker brought about this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

(e) Except as amended and/or modified by this Second Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Amendment. In the event of any conflict between the provisions of this Second Amendment and the provisions of the Lease, the provisions of this Second Amendment shall prevail. Whether or not specifically amended by this Second Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Second Amendment.

3. **OFAC**. Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of the Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of the Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date first written above.

TENANT: CARTESIAN THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Murat Kalayoglu, M.D. Ph.D.
Murat Kalayoglu, MD, Ph.D.

Its: President

R I hereby certify that the signature, name, and title above are my signature, name and title.

LANDLORD: 704 QUINCE ORCHARD OWNER, LLC,
a Delaware limited liability company

By: QUINCE ORCHARD I, LLC,
a Delaware limited liability company, managing member

By: ARE-MARYLAND NO. 40, LLC,
a Delaware limited liability company, managing member

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership, managing member

By: ARE-QRS CORP.,
a Maryland corporation, general partner

By: /s/ Gregory Kay
Gregory Kay
Vice President
RE Legal Affairs

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made and is effective this **28th day of February, 2024** ("**Effective Date**") by and between **7495 RP, LLC** a Maryland limited liability company having an address at 5377 Jackson Mountain Road, Frederick, Maryland 21702 ("**Landlord**"), and **CARTESIAN THERAPEUTICS, INC.**, a Delaware corporation, having a headquarters address at 704 Quince Orchard Road (Suite 140), Gaithersburg, Maryland 20878 ("**Tenant**"). Following the Commencement Date (as defined below), Tenant's address for notice purposes shall be at the Premises.

RECITALS

A. WHEREAS, Landlord owns certain real property and the improvements and buildings thereon located at 7495 New Horizon Way, Frederick, Maryland 21702 (the "**Property**"); and

B. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, certain premises, as more particularly described below, located in the building located at the Property (the "**Building**"), pursuant to the terms and conditions of this Lease, as detailed below. As more particularly described on Exhibit "A" attached hereto, Tenant shall lease approximately 19,199 square feet of Rentable Area located on the first floor of the Building (the "**Premises**"). The Building contains 74,179 square feet of Rentable Area.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

Section 1. **Term.**

1.1. **Length, Commencement, Termination.** This Lease shall take effect upon the Effective Date and, except as specifically otherwise provided within this Lease, each of the provisions hereof shall be binding upon and inure to the benefit of Landlord and Tenant from the date of execution and delivery hereof by all parties hereto. This Lease shall be for a term (hereinafter referred to as the "**Term**") (a) commencing on the Delivery Date (as defined below) (the "**Commencement Date**") and (b) terminating at 11:59 p.m., local time seven (7) full Lease Years following the Commencement Date (the "Termination Date"). Possession of the Premises shall be deemed tendered to Tenant upon the Delivery Date, as defined below. Prior to entering the Premises, Tenant shall obtain all insurance it is required to obtain by the Lease and shall provide certificates of said insurance to Landlord. Tenant shall coordinate such entry with Landlord's Building manager, and such entry shall be made in compliance with all terms and conditions of this Lease. For purposes herein, the "**Delivery Date**" for the Premises shall be the date on which Landlord has delivered full possession of the Premises to Tenant. Tenant acknowledges that as of the date hereof, [***] is occupying the Premises and Landlord may not have legal possession of the Premises, and that Landlord will not deliver possession of the Premises until Landlord has obtained legal possession of the Premises free of such tenant. Subject to any Tenant Delays and Force Majeure, and provided that Tenant has executed and delivered this Lease on or before February 29, 2024, Landlord intends to deliver possession of the Premises to Tenant no later than April 1, 2024 ("**Expected Delivery Date**"). If Landlord is unable to deliver possession of the Premises to Tenant by the Expected Delivery Date, Landlord shall incur no liability and this Lease shall not be terminated; however, in such event the

Commencement Date shall be extended until such date that Landlord delivers the Premises to Tenant; provided, however, if Landlord does not deliver full possession of the Premises to Tenant within sixty (60) days of the Expected Delivery Date, which date shall be subject to extension due to Tenant Delay or Force Majeure (the "**Outside Delivery Date**"), Tenant shall receive a credit to be applied against the next installments of Base Rent equal to one hundred percent (100%) of the daily Base Rent per day for each day after the Outside Delivery Date until full possession of the Premises is delivered to Tenant. Between the Effective Date and the Commencement Date, all of the provisions of this Lease shall be in full force and effect except for Tenant's obligations to pay Rent and such other obligations that are applicable to Tenant having possession of the Premises including obligations to carry required insurance, perform any maintenance or repair of the Premises or be liable to indemnify Landlord for any claims, losses or expenses with respect to the Premises. As used herein, the first "**Lease Year**" shall begin on the Commencement Date and shall end on the last day of the twelfth (12^{th}) full calendar month following the Rent Commencement Date (as defined below), and each succeeding "Lease Year" shall each consist of a twelve (12)-month period beginning with the first day of the first month following the end of the prior Lease Year (it being acknowledged that the first Lease Year may contain more than twelve (12) months).

1.2. **Confirmation of Commencement and Termination.** Once the Rent Commencement Date is ascertained, Landlord and Tenant shall, at Landlord's request confirm in writing setting forth the Commencement Dates and the Termination Date in the form of Exhibit "D" hereto.

1.3. **Surrender.**

1.3.1. At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises ("**Exit Survey**") prepared by an independent third party state-certified professional with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. The Exit Survey shall comply with the American National Standards Institute's Laboratory Decommissioning guidelines (ANSI/AIHA Z9.11-2008) or any successor standards published by ANSI or any successor organization (or, if ANSI and its successors no longer exist, a similar entity publishing similar standards). In addition, prior to and as a condition of Tenant's surrender of possession of any part of the Premises, Tenant shall (i) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with applicable Laws, including laws pertaining to the surrender of the Premises, (ii) place 'Laboratory Equipment Decontamination Forms' on all decommissioned equipment to assure safe occupancy by future users and (iii) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any 'Recognized Environmental Conditions' set forth in the Exit Survey for which Tenant is responsible under this Lease which require remediation pursuant to Environmental Laws and comply with any recommendations set forth in the Exit Survey. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Lease.

1.3.2. Tenant shall at its expense, at the expiration of the Term or any earlier termination of this Lease, (a) promptly surrender to Landlord possession of the Premises (including any fixtures or other improvements which, under the provisions of Section 5, are owned by Landlord) in good order and repair (ordinary wear and tear and damage by casualty or Condemnation excepted) and broom clean, (b) remove therefrom Tenant's signs, goods and effects and any machinery, moveable trade fixtures and equipment which are used in conducting Tenant's trade or business and are not owned by Landlord, and (c) repair any damage to the Premises or the Building caused by such

removal. Tenant shall indemnify, defend with counsel satisfactory to Landlord and hold Landlord harmless from and against any and all any demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, "**Claims**"), incurred or suffered by Landlord by reason of Tenant's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease.

1.4. **Holding Over.** If Tenant continues to occupy the Premises after the expiration of the Term or any earlier termination of this Lease:

1.4.1. such occupancy shall (unless the parties hereto agree in writing) be deemed to be under a month-to-month tenancy, which shall continue until either party hereto notifies the other in writing, at least thirty (30) days before the end of any calendar month, that the notifying party elects to terminate such tenancy at the end of such calendar month, in which event such tenancy shall so terminate;

1.4.2. anything contained herein to the contrary, the rental payable for each such monthly period shall equal the aggregate of (a) one hundred fifty percent (150%) of the Base Rent payable for the final Lease Year of the Term for the first sixty (60) days, and two hundred percent (200%) of the Base Rent payable for the final Lease Year of the Term thereafter, plus (b) the Additional Rent payable under the provisions of Subparagraph 2.1.2 (which Additional Rent shall be calculated for each such monthly period in accordance with such provisions of Section 2.2, except that in doing so one-twelfth ($1/12^{th}$) of the amount thereof shall be used instead of the entire amount); and

1.4.3. such month-to-month tenancy shall otherwise be upon the same terms and subject to the same conditions as those set forth in the provisions of this Lease. Neither the compliance with the conditions set forth in the provisions of this Lease nor the payment of the amounts set forth in this section shall create any right in Tenant to continue in possession of the Premises or limit any rights or remedies of Landlord resulting from such holdover; and

1.4.4. [intentionally omitted]; and

1.4.5. Landlord's rights and remedies under this Section 1.4 shall be cumulative and in addition to every other right or remedy existing at law or in equity or by statute.

Section 2. **Rent.**

2.1. **Amount.** As rent for the Premises (all of which is hereinafter referred to collectively as "**Rent**"), Tenant shall pay to Landlord all of the following:

2.1.1. **Base Rent.** Commencing on the date which is the earlier to occur of either (i) commencement of beneficial use of the Premises by Tenant for the conduct of Tenant's business (which for clarification shall not be deemed to include occupancy for moving in furniture, fixtures, equipment and other personal property, or completing the Improvements (as defined in Section 5.2, below), or (ii) two (2) calendar months following the Commencement Date (the "**Rent Commencement Date**"), an annual base rent (the "**Base Rent**"), payable monthly in advance pursuant to the following schedule:

Lease Year	Rent Per Square Foot	Annual Base Rent (annualized amount)	Monthly Base Rent
1	$47.00	$ 902,353.00	$75,196.08
2	$48.41	$ 929,423.59	$77,451.97
3	$49.86	$ 957,262.14	$79,771.85
4	$51.36	$ 986,060.64	$82,171.72
5	$52.90	$1,015,627.10	$84,635.59
6	$54.49	$1,046,153.51	$87,179.46
7	$56.12	$1,077,447.88	$89,787.32

2.1.2. **Payment of Operating Costs as Additional Rent.** Commencing on the Rent Commencement Date and continuing thereafter throughout the Term, Tenant shall, within thirty (30) days after written demand therefor by Landlord accompanied by a statement setting forth in reasonable detail the Property's Operating Costs (as defined in Paragraph 2.2.1(a) below) for such calendar year, pay to Landlord as Additional Rent, Tenant's Share (defined in Subparagraph 2.2.1(b) below of the Operating Costs for such calendar year. If only part of any calendar year falls within the Term, the amount computed as Additional Rent for such calendar year shall be prorated in proportion to the portion of such calendar year falling within the Term (but the expiration of the Term before the end of a calendar year shall not impair Tenant's obligation hereunder to pay such prorated portion of such Additional Rent).

2.1.3. **Other Additional Rent.** In addition to Base Rent, Tenant shall pay to Landlord as additional rent ("**Additional Rent**") any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord, including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant (but excluding consequential damages).

2.2. **Operating Costs.**

2.2.1. **Definitions.** As used herein:

(a) The term "**Operating Cost**" or "**Operating Costs**" shall mean the actual costs incurred by Landlord in owning, operating, managing, maintaining and making repairs and replacements to the Building and Property during each calendar year of the Term, and shall include or exclude, by way of example rather than of limitation, the following:

(i) **Inclusions.** (A) Government impositions, including property tax costs consisting of real and personal property taxes and assessments (including amounts due under any improvement bond upon the Building, (including the parcel or parcels of real property upon which the Building and areas serving the Building are located)) or assessments in lieu thereof imposed by any federal, state, regional, local or municipal governmental authority, agency or subdivision (each, a "**Governmental Authority**"); taxes on or measured by gross rentals received from the rental of space in the Building; taxes based on the square footage of the Premises, the

Building or the Property, as well as any parking charges, utilities surcharges or any other costs levied, assessed or imposed by, or at the direction of, or resulting from Applicable Laws or interpretations thereof, promulgated by any Governmental Authority in connection with the use or occupancy of the Property or the parking facilities serving the Property; any fee for a business license to operate any business in the Building (excluding business licenses applicable to a particular tenant in the Building); and any expenses, including the reasonable cost of attorneys or experts, reasonably incurred by Landlord in seeking reduction by the taxing authority of the applicable taxes, less tax refunds obtained as a result of an application for review thereof (collectively, "**Real Estate Taxes**"); (B) charges or fees for, and taxes on, the furnishing of water, sewer service, electricity, gas, telephone and cable services, or other utility services; (C) costs of providing elevator, security, snow removal and ground maintenance services; maintaining the building envelope, mechanical systems, sprinkler and fire & life safety systems, drive aisles, roadways, parking areas, garage and interior and exterior common areas; including like-kind replacements; (D) the cost of providing janitorial and trash removal services; (E) the cost of cleaning the windows; (F) the cost of providing, maintaining and operating shared common area amenity spaces, including but not limited to, the conference and workout facilities and tenant lounge; (G) all other costs of maintaining or repairing or, to the extent permitted herein, replacing any or all of the Building or the Property; (H) charges or fees for any necessary governmental permits; (I) the cost of any space occupied by the property manager; (J) management fees (not to exceed four percent (4%) of gross annual revenues), overhead, salaries and expenses; (K) premiums for hazard, liability, D&O, environmental, workers' compensation or any other insurance purchased by Landlord, including the cost of insurance endorsements in order to repair, replace and re-commission the Building for re-certification after any loss to maintain Green Standards (as defined below), including any deductibles, upon any or all of the Property; (L) costs arising under service contracts with independent contractors; (M) costs of any services not provided by Landlord to the Building or Property on the date hereof but hereafter provided by Landlord in its prudent management of the Property and Building (provided such costs are competitively priced); (N) additions or alterations made by Landlord to the Property or the Building in order to comply with legal requirements (other than those expressly required herein to be made by Tenant) or that are appropriate to the continued operation of the Property or the Building for the Permitted Use, provided that the cost of such additions or alterations that are determined to be capitalized by Landlord and which are intended to reduce Operating Costs, in Landlord's sole and absolute discretion, shall be amortized over a period equal to the useful life thereof for federal income tax purposes; and, (O) the cost of any other items which, under generally accepted accounting principles consistently applied from year to year with respect to the Property and Building, constitute operating or maintenance costs attributable to any or all of the Property and Building. As used herein "Green Standards" include the U.S. EPA's ENERGY STAR® rating and/or Design to Earn ENERGY STAR, the Green Building Initiative's Green Globes™ for Continual Improvement of Existing Buildings (Green Globes™-CIEB), the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, or other applicable standard, or to support achieving energy and carbon reduction targets, and Operating Costs shall also include all costs of maintaining, managing, reporting, commissioning, and re-commissioning the Building or any part thereof that was designed and/or built to be sustainable and conform with the U.S. EPA's ENERGY STAR® rating and/or Design to Earn ENERGY STAR, the Green Building Initiative's Green Globes™ for Continual Improvement of Existing Buildings (Green Globes™-CIEB), the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, or other applicable standard.

(ii) **Exclusions.** (A) the expense of principal and interest payments made by Landlord pursuant to the provisions of any mortgage or deed of trust covering the Property; (B) any deduction for depreciation of the

Property taken on Landlord's income tax returns; (C) the cost of Landlord's federal, state or local income taxes; (D) the cost of any repair made by the Landlord because of the total or partial destruction of the Property or the condemnation of a portion of the Property; (E) any costs which are reimbursed by insurance proceeds or any other source; (F) expenses of Landlord in curing its defaults or performing work expressly provided for in the Lease to be borne at Landlord's expense (including work for other tenants in the Property); (G) the cost of marketing and leasing the Property, including leasing commissions, advertising and other marketing costs, and related legal, accounting and other professional services; (H) costs to prepare space for occupancy by any tenants of the Property and for renovating, painting, repainting, decorating, redecorating, planning, designing space for any tenants (including Tenant), and the cost of any credits, allowances, or other payments or rent waivers or concessions granted to any tenant (including Tenant); (I) costs incurred by Landlord in exercising remedies against tenants of the Property who violate terms of their leases; (J) franchise, corporate, gift, transfer, excise, capital stock, estate succession or inheritance taxes; (K) penalties or interest for late payment of taxes; (L) wages, salaries, fees and fringe benefits paid to administrative or executive personnel or officers or partners of Landlord or management agent or anyone else over the level of building supervisor; (M) ground rent and related costs, (N) interest or penalties resulting from late payment by Landlord to the extent not due to late receipt of payments from other sources, (O) special services paid for and solely serving other specific tenants other than Tenant, (P) acquisition costs for artwork in the building, (Q) utilities paid directly by other tenants for their premises, (R) charitable and political contributions, (S) bad debt, rent loss and reserves for bad debt and rent loss, (T) costs paid to an affiliate of Landlord to the extent in excess of market rates by comparable services of unrelated third parties, (U) costs incurred by Landlord for capital improvements, except for the cost incurred for such capital improvements made: (i) to conform with laws enacted after the Commencement Date of this Lease; (ii) to provide or maintain Building standards (other than Building standard Improvements); or (iii) with the primary purpose of reducing or controlling increases in Operating Costs, which expenses shall be amortized over the useful life thereof based on GAAP, and (V) costs incurred due to Landlord's gross negligence or willful misconduct.

(b) The term "**Tenant's Share**" represents the approximate and (for purposes of the provisions of this Lease) hereby agreed-upon proportion which the Rentable Area of the Premises bears to the Rentable Area of the Building, which amount shall be **twenty-five and nine tenths percent (25.9%)**.

(c) Notwithstanding anything to the contrary contained in this Section 2.2, Tenant shall not be obligated to pay to Landlord Tenant's Share of increases in Controllable Operating Costs (defined hereinafter) for each calendar year of the Term hereof following the first Comparison Year (defined hereinafter), to the extent that such increases in Controllable Operating Costs exceed five percent (5%) of the previous Comparison Year's increases in Controllable Operating Costs, calculated on a cumulative and compounding basis (the "**Controllable Operating Costs Cap**"). For purposes of this Section 2.2(c), "**Controllable Operating Costs**" shall mean all Operating Costs other than Non-Controllable Expenses (defined hereinafter). "**Non-Controllable Expenses**" shall mean Real Estate Taxes, property insurance costs, cost of utilities, cost of removing and controlling ice and snow, and costs incurred to achieve compliance with government laws, regulations and orders promulgated after the Commencement Date. The Controllable Operating Expense Cap shall be applied separately during each year of the Term. As used herein, "**Comparison Year**" is defined as each calendar year during the Term of this Lease after the first Lease Year. Tenant's Share for the last Comparison Year of the Term of this Lease shall be prorated according to that portion of such Comparison Year as to which Tenant is responsible for a share of such increase.

2.2.2. **Computation of Additional Rent Due.**

(a) Following the end of each calendar year during the Term, Landlord shall compute the total of the Operating Costs incurred for all of the Property during such calendar year, and allocate to the Premises its proportionate share of the Operating Costs for the Property, based on Tenant's Share of Operating Cost and shall furnish Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Costs for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Costs for such year. If Tenant's Share of actual Operating Costs for such year exceeds Tenant's payments of Operating Costs for such year, the excess shall be due and payable by Tenant as Additional Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Costs for such year exceed Tenant's Share of actual Operating Costs for such year Landlord shall credit the excess to Tenant's next succeeding installment of Additional Rent, except that after the expiration, or earlier termination of the Term provided Tenant is not delinquent in its obligation to pay Additional Rent (beyond all applicable notice and cure periods), Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. Landlord's and Tenant's obligations to pay any overpayments or deficiencies due pursuant to this paragraph shall survive the expiration or earlier termination of this Lease.

(b) Anything contained in the foregoing provisions of this Subparagraph 2.2.2 to the contrary notwithstanding, wherever Tenant and/or any other tenant of space within the Property has agreed in its lease or otherwise to provide any item of Operating Costs partially or entirely at its own expense, in allocating the Operating Costs pursuant to the foregoing provisions of this Subparagraph 2.2.2, Landlord shall make an appropriate adjustment so as to avoid allocating to Tenant or to any other tenant, as the case may be, those Operating Costs covering such services already being provided by Tenant or by such other tenant at its own expense.

2.2.3. **Landlord's Right to Estimate.** Notwithstanding anything contained in the foregoing provisions of this Section 2 to the contrary, Landlord may, at its discretion and in any calendar year of the Term, (a) make from time to time during the Term but not more frequently than two times per calendar year a reasonable estimate of the Additional Rent which may become due for any calendar year, (b) require Tenant to pay to Landlord for each calendar month during such year one-twelfth (1/12th) of such estimated Additional Rent, at the time and in the manner that Tenant is required hereunder to pay the monthly installment of the Base Rent for such month, and (c) at Landlord's reasonable discretion, increase or decrease from time to time during such calendar year the amount initially so estimated for such calendar year, all by giving Tenant written notice thereof, accompanied by a schedule setting forth the same in reasonable detail.

2.3. **When Due and Payable.**

2.3.1. Base Rent shall be due and payable in twelve (12) consecutive, equal monthly installments, in advance, on the first (1st) day of each calendar month during the Term; provided that the installment of the Base Rent payable for the first full calendar month of the Term (and, if the Term commences on a day other than the first (1st) day of a calendar month, that portion of the Base Rent which is payable for such month) shall be due and payable upon the full execution and delivery of this Lease.

2.3.2. Any Additional Rent accruing under any provision of this Lease shall, except as is otherwise set forth herein, be due and payable when the installment of the Base Rent next falling due after such Additional Rent accrues becomes due and payable, unless Landlord makes written demand upon Tenant for payment thereof at any earlier time, in which event such Additional Rent shall be due and payable at such

time, provided, however, in no event shall Tenant have less than twenty (20) days after receipt of an invoice to make any payment of Additional Rent.

2.3.3. Each such payment shall be made promptly when due, without any deduction or set-off whatsoever, and without demand, failing which Tenant shall pay to Landlord as Additional Rent: (a) a late charge in the amount of five percent (5%) of such payment; and (b) in the event of such payment shall not be received by Landlord within five (5) days after such due date, then Tenant hereby covenants and agrees to pay to Landlord interest on such amount due payable at the Default Rate; provided, however, that no late charge or interest in clause (a) or (b) above shall be assessed if not more frequently than one (1) time in any twelve-month period the Rent is not paid when due, if such Rent is received by Landlord within five (5) days after notice thereof is delivered to Tenant, and (c) in the event Tenant pays the rent by check and said check is returned by the bank unpaid, Tenant shall pay to Landlord the sum of Three Hundred Dollars ($300.00) to cover the costs and expenses of processing the returned check, in addition to the aforesaid monthly rent payment, and any late charges which may be involved.

2.3.4. If Tenant disputes the amount set forth in the Annual Statement delivered by Landlord pursuant to Section 2.2.2, Tenant shall have the right, at Tenant's sole expense, not later than ninety (90) days following receipt of such Annual Statement, to request in writing that Landlord's books and records in respect to the calendar year which is the subject of the Annual Statement be audited by a regionally recognized real estate company or certified public accountant selected by Tenant and reasonably acceptable to Landlord. The audit shall take place at the offices of Landlord where its books and records are located at a mutually convenient time during Landlord’s regular business hours. Before conducting any audit, Tenant must pay the full amount of Operating Costs billed. Tenant shall have no right to conduct an audit or to give Landlord notice that it desires to conduct an audit at any time Tenant is in monetary default under the Lease. The accountant conducting the audit shall be compensated on an hourly basis and shall not be compensated based upon a percentage of overcharges it discovers. No subtenant shall have any right to conduct an audit. Tenant's right to undertake an audit with respect to any calendar year shall expire ninety (90) days after Tenant's receipt of the Annual Statement, and such statement shall be final and binding upon Tenant and shall, as between the parties, be conclusively deemed correct, at the end of such ninety (90) day period, unless prior thereto Tenant shall have given Landlord written notice of its intention to audit Operating Costs for the calendar year which is the subject of the Annual Statement. If Tenant gives Landlord notice of its intention to audit Operating Costs, it must commence such audit within sixty (60) days after such notice is delivered to Landlord, and the audit must be completed within one hundred twenty (120) days after such notice is delivered to Landlord. If Tenant does not commence and complete the audit within such periods, the statement which Tenant elected to audit shall be deemed final and binding upon Tenant and shall, as between the parties, be conclusively deemed correct. Tenant's share of Operating Costs shall be appropriately adjusted based upon the results of such audit, and the results of such audit shall be final and binding upon Landlord and Tenant. In no event will this Lease be terminable nor shall Landlord be liable for damages based upon any disagreement regarding an adjustment of Operating Costs. Tenant agrees that the results of any Operating Cost audit shall be kept strictly confidential by Tenant and shall not be disclosed to any other person or entity (other than the nationally recognized real estate company or certified public accountant hired by Tenant; provided that they agree to the same level of confidentiality). Any such audit conducted pursuant to this Section shall be conducted at Tenant’s sole cost and expense, unless such audit determines that the amounts paid by Tenant to Landlord for Operating Costs exceeds the amount to which Landlord was entitled to receive by more than five percent (5%) of the total Operating Costs, in which case Landlord shall pay for the

commercially reasonable fees and expenses of Tenant's accounting firm, provided such fees shall not exceed $3,500.

2.4. **Where Payable.** Tenant shall pay the Rent, in lawful currency of the United States of America, to Landlord by delivering or mailing to Landlord's address which is set forth hereinabove, or to such other address or in such other manner as Landlord from time to time specifies by written notice to Tenant. Any payment made by Tenant to Landlord on account of Rent may be credited by Landlord to the payment of any Rent then past due before being credited to Rent currently falling due. Any such payment which is less than the amount of Rent then due shall constitute a payment made on account thereof, the parties hereto hereby agreeing that Landlord's acceptance of such payment (whether or not with or accompanied by an endorsement or statement that such lesser amount or Landlord's acceptance thereof constitutes payment in full of the amount of Rent then due) shall not alter or impair Landlord's rights hereunder to be paid all of such amount then due, or in any other respect.

2.5. **Tax on Lease.** If federal, state or local law now or hereafter imposes any tax, assessment, levy or other charge (other than any income, inheritance or estate tax) directly or indirectly upon (a) Landlord with respect to this Lease or the value thereof, (b) Tenant's use or occupancy of the Premises, (c) the Base Rent, Additional Rent or any other sum payable under this Lease, or (d) this transaction, then (except if and to the extent that such tax, assessment, levy or other charge is included in the Operating Costs) Tenant shall pay the amount thereof as Additional Rent to Landlord upon demand, unless Tenant is prohibited by law from doing so, in which event Landlord may, at its election, terminate this Lease by giving written notice thereof to Tenant.

2.6. **Security Deposit.**

2.6.1. Simultaneously with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit in the sum of Two Hundred Twenty-Five Thousand Five Hundred Eighty-Eight and 25/100 Dollars ($225,588.25) (which amount represents three (3) months of Base Rent) (the "**Security Deposit**") as security for the performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under this Lease. Landlord shall not be required to maintain the Security Deposit in a separate account. Except as may be required by Applicable Law, Tenant shall not be entitled to interest on the Security Deposit. Within approximately thirty (30) days after the later of (i) the expiration or earlier termination of the Term or (ii) Tenant's vacating the Premises in the condition required by this Lease, Landlord shall return the Security Deposit to Tenant, less such portion thereof as Landlord shall have appropriated to satisfy any of Tenant's obligations, or any default by Tenant, under this Lease. If there shall be any default under this Lease by Tenant, then the foregoing deadline shall not apply and Landlord shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the Security Deposit for the payment of any (a) Base Rent, Additional Rent or any other sum as to which Tenant is in default, or (b) amount Landlord may spend or become obligated to spend, or for the compensation of Landlord for any losses, costs or damages incurred by reason of Tenant's default (including, but not limited to, any damage or deficiency arising in connection with the reletting of the Premises). If any portion of the Security Deposit is so used or applied, then within three (3) business days after Landlord gives written notice to Tenant of such use or application, Tenant shall deposit with Landlord cash in an amount sufficient to restore the Security Deposit to the original sum deposited, and Tenant's failure to do so shall constitute an Event of Default under this Lease. Neither the application of the Security Deposit as set forth above nor the restoration by Tenant of such Security Deposit shall operate to cure such default or to estop Landlord from pursuing any remedy to which Landlord would otherwise be entitled.

2.6.2. If Landlord transfers or credits the Security Deposit to any purchaser or other transferee of Landlord's interest in the Building, then Tenant shall look only to such purchaser or transferee for the return of the Security Deposit, and Landlord shall be released from all liability to Tenant for the return of such Security Deposit. Tenant acknowledges that no Mortgagee shall be liable for the return of any Security Deposit made by Tenant hereunder except to the extent that such holder actually receives such Security Deposit or portion thereof. Tenant shall not pledge, mortgage, assign or transfer the Security Deposit or any interest therein

2.6.3. The Security Deposit may be in the form of cash or an unconditional, irrevocable letter of credit (the "Letter of Credit") in substitution for a cash Security Deposit, subject to the following terms and conditions. If Tenant has delivered a cash Security Deposit, Tenant shall have the right to substitute a Letter of Credit complying with the terms set forth below, whereupon Landlord shall promptly return the cash Security Deposit to Tenant. Any such Letter of Credit shall (i) be in the form and substance satisfactory to Landlord in its commercially reasonable discretion; (ii) be at all times in the amount of the Security Deposit, and shall on its face state that multiple and partial draws are permitted and either (a) that partial draws will not cause a corresponding reduction in the stated face amount of the Letter of Credit or (b) that, within five (5) business days after any such partial draw, the issuer will notify Landlord in writing that the Letter of Credit will not be reinstated to its full amount in which event Landlord shall have the right to immediately draw on the remainder of the Letter of Credit (it being understood that the total security deposit on hand, whether in cash or Letter of Credit form, shall at all times be not less than the total Security Deposit as so defined); (iii) be issued by a commercial bank located in the State of Maryland area (or if located outside the State of Maryland, permits presentation by facsimile or overnight mail) that has a credit rating with respect to certificates of deposit, short term deposits or commercial paper of at least P 2 (or equivalent) by Moody's Investor Service, Inc., or at least A 2 (or equivalent) by Standard & Poor's Corporation, and otherwise acceptable to Landlord in its sole and absolute discretion (it being agreed that [***] is an acceptable issuer); (iv) be made payable to, and expressly transferable and assignable one or more times at no charge by Landlord or any Mortgagee (which transfer/assignment shall be conditioned only upon the execution of a reasonable and customary written document in connection therewith); (v) be payable at sight to a local branch of the issuer (or payable by presentation by facsimile or overnight mail) of a simple sight draft stating only that Landlord is permitted to draw on the Letter of Credit under the terms of the Lease and setting forth the amount that Landlord is drawing; (vi) be for a term not less than one (1) year; and (vii) contain an "evergreen" provision which provides that it is automatically renewed on an annual basis unless the issuer delivers sixty (60) days' prior written notice of cancellation to Landlord and Tenant (which will thereafter entitle Landlord to draw on the Letter of Credit). Tenant shall maintain the Letter of Credit in full force and effect throughout the entire the Term and until sixty (60) days after the expiration or earlier termination of the Term, and shall cause the Letter of Credit to be renewed or replaced not less than thirty (30) days prior to its expiration date.

2.6.4. Landlord shall have the right to draw upon the Letter of Credit in whole or in part and apply the proceeds thereof as may be necessary to compensate Landlord for any default under this Lease on the part of Tenant, and Tenant, within three (3) business days after Landlord delivers written demand therefor to Tenant, shall forthwith restore the Letter of Credit to its original amount; provided, however, neither the application of the Security Deposit as set forth above nor the restoration by Tenant of such Security Deposit shall operate to cure such default or to estop Landlord from pursuing any remedy to which Landlord would otherwise be entitled. Should Landlord elect to draw the full amount of the Letter of Credit upon a default by Tenant, Tenant expressly waives any right it might otherwise have to prevent Landlord from drawing on the Letter of Credit

and agrees that an action for damages and not injunctive or other equitable relief shall be Tenant's sole remedy in the event Tenant disputes Landlord's claim to any such amounts.

2.6.5. Notwithstanding anything in this Lease to the contrary, any cure or grace period set forth in this Lease shall not apply to any of the foregoing provisions of this Section 2.6, and, if Tenant fails to provide Landlord with any renewal or replacement Letter of Credit complying with the terms of this Lease at least thirty (30) days prior to expiration of the then-current Letter of Credit, then Landlord or its assignee shall have the right to immediately draw upon the Letter of Credit without notice to Tenant and hold the proceeds as a cash Security Deposit. In addition, if the issuer's credit rating is reduced below P 2 (or equivalent) by Moody's Investors Service, Inc. or below A 2 (or equivalent) by Standard & Poor's Corporation, or if the financial condition of such issuer changes in any other materially adverse way, then Landlord or its assignee shall have the right to require that Tenant obtain from a different issuer a substitute Letter of Credit that complies in all respects with the requirements of this Section 2.6, and Tenant's failure to obtain such substitute Letter of Credit within ten (10) business days following Landlord's or its assignee's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) shall entitle Landlord or its assignee to immediately draw upon the then existing Letter of Credit in whole or in part, without notice to Tenant. Landlord or its assignee shall also be entitled to immediately draw upon the then existing Letter of Credit in whole or in part, without notice to Tenant, if Landlord or such assignee is precluded by Applicable Law from giving any default or other notice to Tenant. In the event the issuer of any Letter of Credit held by Landlord or its assignee is insolvent or is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date of such occurrence, said Letter of Credit shall be deemed to not meet the requirements of this Section 2.6 and, within ten (10) business days thereof, Tenant shall replace such Letter of Credit with other collateral acceptable to Landlord and/or the holder of any Mortgage in its sole and absolute discretion (and Tenant's failure to do so shall, notwithstanding anything in this Lease to the contrary, constitute an Event of Default for which there shall be no notice or grace or cure periods being applicable thereto other than the aforesaid ten (10) day period). Any failure or refusal of the issuer to honor the Letter of Credit shall be at Tenant's sole risk and shall not relieve Tenant of its obligations hereunder with respect to the Security Deposit and shall constitute an Event of Default under this Lease.

Section 3. **Use of Premises.**

3.1. **Permitted Use.** Tenant shall, continuously throughout the Term, occupy and use the Premises for and only for general office, lab, research and development, GMP bio-manufacturing in accordance with all Applicable Laws (the "**Permitted Use**"). Tenant acknowledges that Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. Landlord makes no representation or warranty that Tenant's use is permitted by applicable zoning laws or other laws and regulations, except that Landlord does hereby confirm that, as of the date hereof, the Building may be used for the Permitted Use. Tenant shall not initiate, submit an application for, or otherwise request, any land use approvals or entitlements with respect to the Premises or any other portion of the Property, including, without limitation, any variance, conditional use permit or rezoning, without first obtaining Landlord's prior written consent, which consent may be given or withheld in Landlord's sole discretion. Tenant shall not (a) permit any animals or pets to be brought to or kept in the Premises (except service animals), (b) except as otherwise expressly provided in Sections 22 and 23 of the Lease, install any equipment, antenna, dish or other device on the roof of the Building or outside of the Premises without Landlord's consent, which consent may be

given or withheld in Landlord's sole discretion, (c) make any penetrations into the roof of the Building without Landlord's consent, which consent may be given or withheld in Landlord's sole discretion, (d) place loads upon floors, walls or ceilings in excess of the load such items were designed to carry, or (e) place or store, nor permit any other person or entity to place or store, any property, equipment, materials, supplies or other items outside of the Building in which the Premises is located.

3.2. **Applicable Law.** In its use of the Premises and the remainder of the Property, Tenant shall not violate any federal, state, municipal or local laws, codes, ordinances, rules and regulations of Governmental Authorities, committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises, the Building, the Property, Landlord or Tenant, including both statutory and common law and hazardous waste rules and regulations ("**Applicable Law(s)**"). Tenant shall conduct its business and use the Premises in a lawful manner and shall not use or permit the use of the Premises or the common areas in any manner that will tend to create waste, noise, odors or vibrations or a nuisance or shall tend to disturb other occupants of the Building. Tenant shall obtain, at its sole expense, any permit or other governmental authorization required to operate its business from the Premises.

3.3. **Access; Common Areas; Parking.**

3.3.1. Subject to Force Majeure, and other events beyond the reasonable control of Landlord, from and after the Commencement Date Tenant shall have access to the Premises, 24 hours per day, seven days per week throughout the Term (and the Renewal Term).

3.3.2. Landlord hereby grants to Tenant a non-exclusive license to use (and to permit its officers, directors, agents, employees and invitees to use in the course of conducting business at the Premises), throughout the Term:

(a) any and all elevators, common stairways, lobbies, common hallways and other portions of the Building which, by their nature, are manifestly designed and intended for common use by the occupants of the Building, for pedestrian ingress and egress to and from the Premises and for any other such manifest purposes; and

(b) any and all portions of the Property which, by their nature, are manifestly designed and intended for common use by the occupants of the Building, for pedestrian ingress and egress to and from the Premises and for any other such manifest purposes.

3.3.3. Such license shall be exercised in common with the exercise thereof by Landlord, any other tenant or owner of the Building or any other building located on such tract, and their respective officers, directors, agents, employees and invitees, and in accordance with the Rules and Regulations promulgated from time to time pursuant to the provisions of Section 11.

3.3.4. Tenant's employees and guests shall have the right, throughout the Term, at no additional cost, to park standard sized passenger automobiles at the rate of three (3) parking spaces per 1,000 square feet of Rentable Area of the Premises in the location shown on Exhibit "E" attached hereto subject to reasonable rules enacted by Landlord from time to time during the Term.

3.3.5. Tenant shall not be entitled to use or permit to be used (i) the main entrance of the Building, or (ii) any entrance to the Building and the Premises other than that entrance designated by Landlord as being the delivery entrance, for the delivery of inventory, materials, supplies, trade fixtures or other similar items, all of which shall be delivered to the Building and the Premises only during such hours as are reasonably acceptable to Landlord.

3.4. **Amenities**. Tenant shall have the non-exclusive license during the Term to utilize any amenity located at the Building, if any, which may include any of the following (collectively, the "**Amenities**"): shared conference facility; shared autoclave and glass washing suite; shared dock height loading; tenant lounge and kitchen area; outdoor plaza with seating; and 24-hour web-based critical monitoring system included in laboratory and support areas. Landlord reserves the right to implement reasonable rules and regulations in connection with the use of the Amenities, including the requirement that the users of the Amenities sign a waiver and release of liability. The Amenities shall be deemed common areas of the Building, and Landlord reserves the right, at any time, in its reasonable discretion and without reduction in Rent due under this Lease, to close or discontinue (permanently or temporarily), modify and/or relocate to another portion of the Building, any one or more of the Amenities, consistent with amenities offered by similar first-class buildings in the geographic area as the Building.

Section 4. **Insurance and Indemnification.**

4.1. **Increase In Risk.** Tenant:

4.1.1. shall not do or permit to be done any act or thing as a result of which either (a) any policy of insurance of any kind covering (i) any or all of the Property or (ii) any liability of the Landlord in connection therewith may become void or suspended, or (b) the insurance risk under any such policy would (in the opinion of the insurer thereunder) be made greater; and

4.1.2. shall pay as Additional Rent the amount of any increase in any premium for such insurance resulting from any breach of such covenant, within ten (10) days after Landlord notifies Tenant of such increase.

4.2. **Insurance to be Maintained by Tenant.**

4.2.1. Tenant shall maintain at its expense, throughout the Term, insurance against loss or liability in connection with bodily injury, death, property damage or destruction, occurring within the Premises or arising out of the use thereof by Tenant or its agents, employees, officers, subtenants, invitees, visitors and guests, under one or more policies of commercial general liability insurance containing contractual liability coverage and having such limits as to each as are reasonably required by Landlord from time to time, but in any event of not less than Three Million Dollars ($3,000,000.00) combined single limit coverage for bodily injury to or death of any one person during any one occurrence, and for or death of all persons in any one occurrence, and for property damage or destruction during any one occurrence. Tenant may satisfy such insurance requirements through an umbrella liability policy. Tenant also agrees to carry Special Form-Causes of Loss property insurance covering for full replacement value all of Tenant's improvements made in and to the Premises which were paid for by Tenant, if any, and all of Tenant's goods and merchandise, trade fixtures, furniture, signs, decorations, furnishings, wall covering, floor covering, draperies, equipment, and all other items and personal property of Tenant located on or within the Premises. Each such liability policy shall (a) name as an additional insured thereunder Landlord, Landlord's property manager, and, at the Landlord's request, any Mortgagee (hereinafter defined), (b) by its terms, be considered

primary and non-contributory with respect to any other insurance carried by Landlord or its successors and assigns, (c) by its terms be cancelable only on at least thirty (30) days' prior written notice to the Landlord (and, at Landlord's request, any such Mortgagee), and (d) be issued by an insurer having an A.M. Best's Key Rating Guide rating of A-VII or better licensed to issue such policy in Maryland. It is expressly understood and agreed that neither the issuance of any insurance policy required hereunder nor the foregoing minimum levels of insurance coverage shall limit the liability of Tenant for its acts or omissions as provided in this Lease.

4.2.2. At least (a) thirty (30) days before the Commencement Date, Tenant shall deliver to Landlord a copy of each such policy (or at Landlord's option, a certificate thereof), and (b) thirty (30) days before any such policy expires, Tenant shall deliver to Landlord a copy of a replacement policy therefor (or at Landlord's option, a certificate thereof); provided, that so long as such insurance is otherwise in accordance with the provisions of this Section 4 and expressly and unconditionally affords coverage to the Premises and to Landlord as required hereunder, Tenant may carry any such insurance under a blanket policy covering the Premises for the risks and in the minimum amounts specified in Subparagraph 4.2.1, in which event Tenant shall deliver to Landlord two (2) insurer's certificates therefor in lieu of a copy thereof, as aforesaid. Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's property or Tenant's obligations under this Lease, and the limits of any insurance carried by Tenant shall not limit Tenant's obligations or liability under any indemnity provision included in this Lease or under any other provision of this Lease.

4.3. **Insurance to be Maintained by Landlord.** Landlord shall maintain throughout the Term Special Form-Causes of Loss property insurance upon the Building in such amounts as determined by Landlord in its sole but reasonable discretion. The cost of the premiums for such insurance and of each endorsement thereto shall be deemed, for purposes of the provisions of Section 2, to be an Operating Cost.

4.4. **Mutual Release and Waiver of Subrogation.** If either party hereto is paid any proceeds under any policy of insurance naming such party as an insured, on account of any loss or damage, then such party hereby releases the other party hereto, to and only to the extent of the amount of such proceeds, from any and all liability for such loss or damage, notwithstanding that such loss, damage or liability may arise out of the negligent or intentionally tortious act or omission of the other party, its agents or employees; provided, that such release shall be effective only as to a loss or damage occurring while the appropriate policy of insurance of the releasing party provides that such release shall not impair the effectiveness of such policy or the insured's ability to recover thereunder. Each party hereto shall use reasonable efforts to have a clause to such effect included in its said policies of insurance, and shall promptly notify the other in writing if such clause cannot be included in any such policy. The aforementioned waiver and release shall also cover and include any deductible under any property insurance policy of Landlord or Tenant even if such deductible is required to be paid by the party suffering the loss to its property.

4.5. **Liability of Parties.** Except if and to the extent that such party is released from liability to the other party hereto pursuant to the provisions of Subparagraph 4.4:

4.5.1. Landlord (a) shall be responsible for, and shall defend, indemnify and hold harmless Tenant against and from any and all liability or claim of liability arising out of, any injury to or death of any person or damage to any property, occurring anywhere upon the Property, if, only if and to the extent that such injury, death or damage is proximately caused by the grossly negligent or intentionally tortious act or

omission or willful misconduct of Landlord or its agents, officers or employees, but (b) shall not be responsible for or be obligated to indemnify or hold harmless Tenant against or from any liability for any such injury, death or damage occurring anywhere upon the Property (including the Premises) by reason of (i) Tenant's occupancy or use of the Premises or any other portion of the Property, or (ii) any fire, windstorm, act of God or other cause unless directly caused by such grossly negligent or intentionally tortious act or omission or willful misconduct of Landlord, as aforesaid; and

4.5.2. Excluding those situations in which Landlord is obligated to indemnify and hold harmless Tenant under the provisions of Subparagraph 4.5.1, Tenant shall be responsible for, and shall defend, indemnify and hold harmless Landlord, Landlord's affiliates, employees, agents, contractors, property manager, and, at the Landlord's request, any Mortgagee (collectively, "Landlord Indemnitees") against and from and Claims arising or occurring within the Premises or as result of a default under this Lease.

Section 5. **Improvements to Premises.**

5.1. **Initial Construction by Landlord.**

5.1.1. Tenant shall lease the Premises in its "as-is" condition, except that Landlord warrants that the electrical, plumbing, mechanical, sprinkler and fire & life safety systems shall be in good working order as of the Commencement Date, and Landlord shall repair with reasonable promptness any latent defects in any such Building systems reported by Tenant to Landlord in writing within 365 days of the Commencement Date. Additionally, prior to the Commencement Date, Landlord shall deliver to Tenant a current Exit Survey indicating that the Premises have been decommissioned and are free from all Recognized Environmental Conditions which require remediation pursuant to Environmental Laws. Furthermore, Landlord shall, at Landlord's expense, provide the improvements to the Premises, if any, using building standard materials, shown and indicated on Exhibit "B" attached hereto (the "Landlord Construction"). Except for reasons of Tenant Delay or Force Majeure (as each are defined below), Landlord Construction shall be completed within ninety (90) days of the Commencement Date. Landlord and Tenant shall coordinate Landlord Construction so as to not unreasonably interfere with Tenant's use of the Premises or its completion of the Improvements (as defined below). In the event that Landlord Construction is not substantially complete within one hundred twenty (120) days after the Commencement Date (subject to Tenant Delay and Force Majeure)(the "**Outside Completion Date**"), Tenant shall receive a credit to be applied against the next installments of Base Rent equal to fifty percent (50%) of the daily Base Rent per day for each day after the Outside Completion Date until Landlord Construction is substantially complete.

5.1.2. As used in this Lease each of the following items is referred to individually or collectively as a "Tenant Delay"; or

(a) Tenant's request for changes or additions to any Landlord Construction subsequent to the date hereof; or

(b) The performance of any work or other activity in the Premises by any person or firm employed or retained by Tenant which hinders Landlord's performance hereunder; or

(c) Tenant's request for long lead items, i.e., materials, finishes or installations which are not immediately available as needed to meet Landlord's schedule for substantial completion of the Landlord Construction; or

(d) Any other Tenant caused delay.

5.1.3. Tenant, by its assumption of possession of the Premises, shall for all purposes of this Lease be deemed to have accepted the Premises, except for the completion of and the Landlord Construction.

5.2. **Initial Construction by Tenant.** Following the Delivery Date, Tenant and Tenant's agents shall have the right to install special equipment, furniture, telephone and computer equipment and for completing the Tenant's improvements to the Premises as more fully set forth Exhibit "B-1" (the "**Improvements**"). Tenant acknowledges and agrees that Landlord shall not be liable in any way for any injury, loss or damage which may occur to Tenant, its agents, contractors or employees or to Tenant's improvements and alterations made in the Premises or the property placed therein, all of the same being at Tenant's sole risk unless to the extent such injury, loss or damage is caused by the gross negligence or willful misconduct of Landlord.

5.3. **Subsequent Improvements By Tenant.** Following completion of the Landlord Construction, if any, and the Improvements by Tenant pursuant to Paragraph 5.2 above, Tenant shall not make any further alteration, addition or improvement to the Premises without first obtaining the Landlord's written consent thereto and to the identity of the contractor or other person who would make the same (which, in the case of nonstructural alterations, additions and improvements only, shall not unreasonably be withheld, conditioned or delayed). At the time of such consent, Landlord shall identify any alterations, additions or improvements that Landlord will require Tenant to remove at the expiration of the Term of this Lease, and unless so identified, Landlord shall have not right to require the removal of the same. If Landlord consents to any such proposed alteration, addition or improvement, it shall be made at Tenant's sole expense (and Tenant shall hold Landlord harmless from any cost incurred on account thereof), and at such time and in such manner as not unreasonably to interfere with the use and enjoyment of the remainder of the Property by any tenant thereof or other person. Tenant shall require its contractor to maintain insurance in such amounts and in such form as Landlord may reasonably require. Any such improvements made to the Premises by Tenant or its contractors shall be made only in a good and workmanlike manner, using new, first-class materials, and in accordance with all applicable codes and Landlord's "Construction Rules and Regulations" attached hereto as Schedule "B-2" , and as modified by Landlord from time to time. Landlord reserves the right, in its discretion, to monitor the construction of any such work (and to be reimbursed for any reasonable third-party costs to monitor such construction, but not in excess of one percent (1%) of the actual cost thereof), and to require Tenant to remove any thereof that does not conform to such standard. Notwithstanding the foregoing, Tenant shall have the right to make Cosmetic Changes (as defined below) to the Premises after at least ten (10) business days' prior written notice to (but without requiring the consent of) Landlord. "Cosmetic Changes" shall mean those alterations of a purely decorative nature which are not visible from the exterior of the Premises, do not result in a modification to the physical layout of the Premises, do not require the issuance of a permit, and the cost or value of which (including installation) in the aggregate is less than Fifty Thousand Dollars ($50,000) per project, and which do not adversely affect the mechanical, HVAC, electrical, structural or any other base building systems.

5.4. **Mechanics' Liens.** Tenant shall (a) immediately after it is filed or claimed, bond or have released any mechanics', materialman's or other lien filed or claimed against any or all of the Premises, the Property, or any other property owned or leased by Landlord, by reason of labor or materials provided for the Tenant or any of its contractors or subcontractors, or otherwise arising out of the Tenant's use or occupancy of the Premises or any other portion of the Property (excluding, however, Landlord Construction), and (b) defend, indemnify and hold harmless Landlord from and against any and all Claims incurred by Landlord on account of any such lien or claim.

5.5. **Fixtures.** Any and all improvements, repairs, alterations and all other property attached to, used in connection with or otherwise installed within the Premises by Landlord or Tenant shall, immediately on the completion of their installation, become Landlord's property without payment therefor by Landlord, except that any machinery, equipment or fixtures installed by Tenant at no expense to Landlord and used in the conduct of the Tenant's trade or business (rather than to service the Premises or any of the remainder of the Building or the Property generally) shall remain Tenant's property, and shall be removed by Tenant at the end of the Term (and any damage to the Premises caused by such removal shall be repaired at Tenant's expense). Tenant shall also remove any alterations and improvements prior to the end of the Term provided the same were designated by Landlord in writing at the time Landlord gave its approval for the same.

5.6. **Personal Property Taxes.** Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

5.7. **Rentable Area**. The term "**Rentable Area**" shall reflect such areas as reasonably calculated by Landlord's architect, as the same may be reasonably adjusted from time to time by Landlord in consultation with Landlord's architect to reflect changes to the Premises, and the Building, as applicable, in accordance with the ANSI/BOMA 2017 "Standard Method for Measuring Floor Area in Office Buildings."

Section 6. **Maintenance and Services.**

6.1. **Services**.

6.1.1. Landlord shall, as part of Operating Costs, provide or cause to be provided to the Premises and the common areas of the Building (i) water and sewer service, (ii) lighting of the common areas of the Building and Property only, (iii) heating, ventilating and air conditioning ("**HVAC**") to maintain reasonably comfortable temperatures therein at all times, and (iv) refuse and trash collection and janitorial services to the common areas of the Building only, all of which shall be consistent with comparable first-class life science buildings in the same geographic area as the Building. Electricity (for lights and plugs) serving the Premises shall be separately metered, and Tenant shall directly pay the electric utility. Landlord shall maintain a dumpster on the Property for the non-hazardous office waste generated by Tenant and other tenants and occupants of the Building. Tenant shall pay for all water (including the cost to service, repair and replace reverse osmosis, de-ionized and other treated water), gas, heat, light, power, telephone, internet service, cable television, other telecommunications and other utilities supplied to the Premises, together with any fees, surcharges and taxes thereon. If any such utility is not separately metered to Tenant, Tenant shall pay Tenant's Share of all charges of such utility jointly metered with other premises as Additional Rent or, in the alternative, Landlord may, at its option, monitor the usage of such utilities by Tenant and charge Tenant with the cost of purchasing, installing and monitoring such metering equipment, which cost shall be paid by Tenant as Additional Rent. To the extent that Tenant uses more than Tenant's Share of any utilities, then Tenant shall pay Landlord for Tenant's Share of such utilities to reflect such excess. In the event that the Building is less than fully occupied during a calendar year, Tenant acknowledges that Landlord may extrapolate utility usage that varies depending on the occupancy of the Building to equal Landlord's reasonable estimate of what such utility usage would have been had the Building, as applicable, been fully

occupied during such calendar year; provided, however, that Landlord shall not recover more than one hundred percent (100%) of the cost of such utilities.

6.1.2. Landlord shall not be liable for, nor shall any eviction of Tenant result from, the failure to furnish any utility or service, whether or not such failure is caused by accidents; breakage; casualties (to the extent not caused by the party claiming Force Majeure); Severe Weather Conditions (as defined below); physical natural disasters (but excluding weather conditions that are not Severe Weather Conditions); strikes, lockouts or other labor disturbances or labor disputes (other than labor disturbances and labor disputes resulting solely from the acts or omissions of the party claiming Force Majeure); acts of terrorism; riots or civil disturbances; wars or insurrections; shortages of materials (which shortages are not unique to the party claiming Force Majeure); regulations, moratoria or other actions, inactions or delays; failures by third parties to deliver gas, oil or another suitable fuel supply, or inability of the party claiming Force Majeure, by exercise of reasonable diligence, to obtain gas, oil or another suitable fuel; or other causes beyond the reasonable control of the party claiming that Force Majeure has occurred (collectively, "**Force Majeure**"); or, to the extent permitted by Applicable Laws, Landlord's negligence. In the event of such failure, Tenant shall not be entitled to termination of this Lease or any abatement or reduction of Rent, nor shall Tenant be relieved from the operation of any covenant or agreement of this Lease. "**Severe Weather Conditions**" means weather conditions that are materially worse than those that reasonably would be anticipated for the Property at the applicable time based on historic meteorological records. Notwithstanding the foregoing, if there is a failure by Landlord to furnish the utilities or services specified in this Lease, which failure: (i) interferes substantially with or prevents Tenant's use of the Premises or any material part thereof, (ii) is capable of being remedied by Landlord by the exercise of commercially reasonable efforts (as opposed to being outside of Landlord's control), and (iii) continues for five (5) consecutive business days following receipt of notice delivered by Tenant to Landlord, the Base Rent shall abate for the period beginning on the sixth (6th) business day following such interruption and continuing until such interruption is remedied, based upon the portion or portions of the Premises rendered unusable by such interruption of utilities or services. Tenant acknowledges that the foregoing rent abatement shall be Tenant's sole and exclusive remedy for any such failure to furnish such utilities.

6.1.3. Tenant shall pay for, prior to delinquency of payment therefor, any utilities and services that may be furnished to the Premises during or, if Tenant occupies the Premises after the expiration or earlier termination of the Term, after the Term, including telephone, internet service, cable television and other telecommunications, together with any fees, surcharges and taxes thereon. Upon Landlord's demand, utilities and services provided to the Premises that are separately metered shall be paid by Tenant directly to the supplier of such utilities or services.

6.1.4. Tenant shall not, without Landlord's prior written consent, use any device in the Premises that will in any way (a) increase the amount of ventilation, air exchange, gas, steam, electricity or water required or consumed in the Premises based upon Tenant's Share of the Building beyond the existing capacity of the Building usually furnished or supplied for the Permitted Use or (b) exceed Tenant's Share of the Building's capacity to provide such utilities or services.

6.1.5. If Tenant shall require utilities or services in excess of those usually furnished or supplied for tenants in similar spaces in the Building by reason of Tenant's equipment or extended hours of business operations, then Tenant shall first procure Landlord's consent for the use thereof, which consent Landlord may condition upon the

availability of such excess utilities or services, and Tenant shall pay as Additional Rent an amount equal to the cost of providing such excess utilities and services.

6.1.6. Landlord shall provide water in common areas for lavatory and landscaping purposes only, which water shall be from the local municipal or similar source; provided, however, that if Landlord reasonably determines that Tenant requires, uses or consumes water in the Premises for any purpose other than ordinary lavatory purposes, Landlord may install a water meter ("**Tenant Water Meter**") and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the costs of any Tenant Water Meter and the installation and maintenance thereof during the Term. If Landlord installs a Tenant Water Meter, Tenant shall pay for water consumed, as shown on such meter, as and when bills are rendered. If Tenant fails to timely make such payments, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses incurred or payments made by Landlord for any of the reasons or purposes stated in this Section shall be deemed to be Additional Rent payable by Tenant and collectible by Landlord as such.

6.1.7. Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and utility systems, when Landlord deems necessary or desirable, due to accident, emergency or the need to make repairs, alterations or improvements, until such repairs, alterations or improvements shall have been completed, and Landlord shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilation, air conditioning or utility service when prevented from doing so by Force Majeure; provided, however, that Landlord shall, except in case of emergency, endeavor to provide Tenant not less than five (5) business days' advance notice (which notice may be oral or electronic) of any planned stoppage of any service or utility for routine maintenance, repairs, alterations or improvements. Without limiting the foregoing, It is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of Force Majeure.

6.1.8. Landlord shall not be liable for any interruption whatsoever in utility services not furnished by Landlord, nor for interruptions in utility services furnished by Landlord which are due to fire, accident, strike, acts of God or other causes beyond the control of Landlord or which are necessary or useful in connection with making any alterations, repairs or improvements required by Applicable Law (including, by way of example rather than of limitation, any federal law or regulation relating to the furnishing or consumption of energy or the temperature of buildings).

6.1.9. [intentionally omitted].

6.1.10. For any utilities serving the Premises for which Tenant is billed directly by such utility provider, Tenant agrees to furnish to Landlord (a) any invoices or statements for such utilities within thirty (30) days after Tenant's receipt thereof, (b) within thirty (30) days after Landlord's request, any other utility usage information reasonably requested by Landlord, and (c) within thirty (30) days after each calendar year during the Term, authorization to allow Landlord to access Tenant's usage information necessary for Landlord to complete an energy usage report for purposes of compliance with Green Standards (e.g., related to EPA Labs 21), if requested by Landlord) and any other information reasonably requested by Landlord for the immediately preceding year. Tenant shall retain records of utility usage at the Premises, including invoices and statements from the utility provider, for at least sixty (60) months, or such other period of time as may be requested by Landlord. Tenant acknowledges that any utility information for the Premises,

the Building and the Property may be shared with third parties, including Landlord's consultants and Governmental Authorities. In the event that Tenant fails to comply with this Section, Tenant hereby authorizes Landlord to collect utility usage information directly from the applicable utility providers, and Tenant shall pay Landlord the actual cost incurred by Landlord plus fifteen percent (15%). In addition to the foregoing, Tenant shall comply with all Applicable Laws related to the disclosure and tracking of energy consumption at the Premises. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

6.2. **Maintenance.**

6.2.1. Landlord shall repair and maintain (a) the structural and exterior portions of the Building including roofing and covering materials, foundations, and loading docks and exterior walls and windows, (b) the life-safety sprinklers and fire panel (including associated monitoring of the fire panel and elevator safety) within the Building, (c) the HVAC system including the central boilers and chillers located in the Building and (d) the common areas (including snow plowing and shoveling and the maintenance of landscaped areas). All such repair and maintenance shall be performed in a manner consistent with comparable first-class life science buildings in the same geographic area as the Building. The structural components of the Building, including structural walls, foundation, roof, windows, loading docks, loading doors, and replacements to the parking surfaces of the Property shall be performed at Landlord's sole cost and not included in Operating Costs, unless the need for the same is caused by Tenant (or another party acting by or on behalf of Tenant).

6.2.2. Except for services of Landlord, if any, required by Section 6.2.1, Tenant shall at Tenant's sole cost and expense maintain and keep the Premises and every part thereof in good condition and repair, damage thereto from ordinary wear and tear excepted. Tenant shall, upon the expiration or sooner termination of the Term, surrender the Premises to Landlord in as good a condition as when received, ordinary wear and tear excepted; and shall, at Landlord's request and Tenant's sole cost and expense, remove all telephone and data systems, wiring and equipment from the Premises installed by Tenant, and repair any damage to the Premises caused thereby. Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof, other than as described in Exhibit "B".

6.2.3. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance that is Landlord's obligation pursuant to this Lease unless such failure shall persist for an unreasonable time after Tenant provides Landlord with written notice of the need of such repairs or maintenance. Tenant waives its rights under Applicable Laws now or hereafter in effect to make repairs at Landlord's expense.

6.2.4. If any excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter the Premises for the purpose of performing such work as such person shall deem necessary or desirable to preserve and protect the Building from injury or damage and to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease.

6.2.5. This Article relates to repairs and maintenance arising in the ordinary course of operation of the Building and the Property. In the event of a casualty described in Section 8, Section 8 shall apply in lieu of this Section. In the event of Condemnation, Section 9 shall apply in lieu of this Section.

6.2.6. Unless specifically excluded herein or elsewhere in this Lease, all costs and expenses incurred by Landlord pursuant to this Section 6.2 shall constitute Operating Costs.

Section 7. **Landlord's Right of Entry and Right to Cure.**

7.1.1. Landlord and its agents shall be entitled to enter the Premises at any reasonable time (upon reasonable prior notice to Tenant) and Tenant, at its election, may accompany Landlord and its agents, and except in the event of an emergency, upon advanced notice (which notice may be oral or electronic) (a) to inspect the Premises, (b) to exhibit the Premises to any existing or prospective mortgagee, or to any prospective purchaser or tenant, (c) to make any alteration, improvement or repair to the Building or the Premises, or (d) for any other purpose relating to the operation and maintenance of the Property; provided, that Landlord shall (i) (unless doing so is impractical or unreasonable because of emergency) give Tenant reasonable prior notice of its intention to enter the Premises, and (ii) use commercially reasonable efforts to avoid thereby interfering more than is reasonably necessary with Tenant's use and enjoyment thereof. Notwithstanding the foregoing, except in an emergency, Landlord shall have no access to manufacturing area within the Premises.

7.1.2. If Tenant fails to perform any of its covenants under this Lease, Landlord may elect to perform such covenant on behalf of Tenant after giving Tenant at least three (3) business days written notice of Landlord's intention to do so, provided however, that if an emergency situation exists, no notice shall be required. Tenant shall reimburse Landlord in Additional Rent for any sums paid or costs incurred by Landlord in curing such default, together with interest at the Default Rate of the sums paid or costs incurred by Landlord in curing the default, from the respective dates of Landlord's making the payments and incurring such costs, within ten (10) days after delivery of a statement from Landlord for the amount due. The exercise by Landlord of its rights under this Section shall not prejudice or waive any rights or remedies Landlord might otherwise have against Tenant.

Section 8. **Fire and Other Casualties.**

8.1. **General.** If the Premises are damaged by fire or other casualty during the Term,

8.1.1. Landlord shall restore the Premises with reasonable promptness (taking into account the time required by Landlord to effect a settlement with, and to procure any insurance proceeds from, any insurer against such casualty, but in any event within two hundred seventy (270) days after the date of such casualty) to substantially the condition of the Premises immediately before such casualty, and may temporarily enter and possess any or all of the Premises for such purpose (provided, that Landlord shall not be obligated to repair, restore or replace any fixture, improvement, alteration, furniture or other property owned, installed or made by Tenant), but

8.1.2. the times for commencement and completion of any such restoration shall be extended for the period of any delay beyond the reasonable control of Landlord (not to exceed an additional sixty (60) days). If the Landlord undertakes to restore the Premises and such restoration is not accomplished within the said period of two hundred seventy (270) days plus the period of any extension thereof, as aforesaid, Tenant may terminate this Lease by giving written notice thereof to Landlord within thirty (30) days after the expiration of such period, as so extended; and

8.1.3. so long as Tenant is deprived of the use of any or all of the Premises on account of such casualty, the Base Rent and any Additional Rent payable under the provisions of Paragraph 2.2 shall be abated in proportion to the number of square feet of the Premises rendered substantially unfit for occupancy by such casualty, unless, because of any such damage, the undamaged portion of the Premises is made materially unsuitable for use by Tenant for the purposes set forth in the provisions of Section 3, in which event the Base Rent and any such Additional Rent shall be abated entirely during such period of deprivation.

8.2. **Substantial Destruction.** Anything contained in the foregoing provisions of this Section 8 to the contrary notwithstanding,

8.2.1. If during the Term the Building is so damaged by fire or other casualty that (a) either the Premises or (whether or not the Premises are damaged) the Building are rendered substantially unfit for occupancy, as reasonably determined by Landlord, or (b) the Building is damaged to the extent that Landlord reasonably elects to demolish the Building, or (c) if any Mortgagee requires that any or all of such insurance proceeds be used to retire any or all of the debt secured by its Mortgage, or (d) the insurance proceeds received by Landlord are less than the cost of restoration of the Building, then in any such case Landlord may elect to terminate this Lease as of the date of such casualty, by giving written notice thereof to Tenant within thirty (30) days after such date. Further, if the restoration of the Premises is not expected to be accomplished within a period of two hundred seventy (270) days after the date of such casualty, Tenant may terminate this Lease by giving written notice thereof to Landlord within (30) days after the date of such casualty; and

8.2.2. In such event, (a) Tenant shall pay to Landlord the Base Rent and any Additional Rent payable by Tenant hereunder and accrued through the date of such casualty, (b) Landlord shall repay to Tenant any and all prepaid Rent for periods beyond such termination, and (c) Landlord may enter upon and repossess the Premises without further notice.

8.2.3. **Tenant's Negligence.** Notwithstanding anything contained in any provision of this Lease to the contrary, if any such damage to the Premises, the Building or both are caused by or result from the negligent or intentionally tortious act or omission of Tenant, those claiming under Tenant or any of their respective officers, employees, agents or invitees,

8.2.4. The Rent shall not be suspended or apportioned as aforesaid, and

8.2.5. Except if and to the extent that Tenant is released from liability therefor pursuant to the provisions of Paragraph 4.4, Tenant shall pay to Landlord upon demand, as Additional Rent, the cost of (a) any repairs and restoration made or to be made as a result of such damage, or (b) (if Landlord elects not to restore the Building) any damage or loss which Landlord incurs as a result of such damage.

Section 9. **Condemnation.**

9.1. **Right to Award.**

9.1.1. If any or all of the Premises are taken by the exercise of any power of eminent domain or are conveyed to or at the direction of any governmental entity under a threat of any such taking (each of which is hereinafter referred to as a

"**Condemnation**"), Landlord shall be entitled to collect from the condemning authority thereunder the entire amount of any award made in any such proceeding or as consideration for such conveyance, without deduction therefrom for any leasehold or other estate held by the Tenant under this Lease.

9.1.2. Tenant hereby (a) assigns to Landlord all of Tenant's right, title and interest, if any, in and to any such award; (b) waives any right which it may otherwise have in connection with such Condemnation, against Landlord or such condemning authority, to any payment for (i) the value of the then-unexpired portion of the Term, (ii) leasehold damages, and (iii) any damage to or diminution of the value of Tenant's leasehold interest hereunder or any portion of the Premises not covered by such Condemnation; and (c) agrees to execute any and all further documents which may be required to facilitate Landlord's collection of any and all such awards.

9.1.3. Subject to the operation and effect of the foregoing provisions of this Section 9, Tenant may seek, in a separate proceeding, a separate award on account of any damages or costs incurred by Tenant as a result of such Condemnation, so long as such separate award in no way diminishes any award or payment which Landlord would otherwise receive as a result of such Condemnation.

9.2. **Effect of Condemnation.**

9.2.1. If (a) all of the Premises are covered by a Condemnation, or (b) any part of the Premises or the parking areas of the Building (which would have the effect of invalidating the certificate of occupancy) is covered by a Condemnation and the remainder thereof is insufficient for the reasonable operation therein of Tenant's business in Tenant's commercially reasonable business judgment, or (c) any of the Building is covered by a Condemnation and, in Landlord's reasonable opinion, it would be impractical to restore the remainder thereof, or (d) any of the rest of the Property is covered by a Condemnation and, in Landlord's reasonable opinion, it would be impractical to continue to operate the remainder of the Property thereafter, then, in any such event, the Term shall terminate on the date on which possession of so much of the Premises, the Building or the rest of the Property, as the case may be, as is covered by such Condemnation is taken by the condemning authority thereunder, and all Rent (including, by way of example rather than of limitation, any Additional Rent payable under the provisions of subsection 2.2), taxes and other charges payable hereunder shall be apportioned and paid to such date.

9.2.2. If there is a Condemnation and the Term does not terminate pursuant to the foregoing provisions of this subsection, the operation and effect of this Lease shall be unaffected by such Condemnation, except that the Base Rent and any Additional Rent payable under the provisions of Paragraph 2.2 shall be reduced in proportion to the square footage of floor area, if any, of the Premises covered by such Condemnation.

9.3. **Limitation on Landlord's Liability.** If there is a Condemnation, Landlord shall have no liability to the Tenant on account of any (a) interruption of Tenant's business upon the Premises, (b) diminution in Tenant's ability to use the Premises, or (c) other injury or damage sustained by Tenant as a result of such Condemnation.

9.4. **Separate Proceedings.** Except for any separate proceeding brought by Tenant under the provisions of Subparagraph 9.1.3, Landlord shall be entitled to conduct any such condemnation proceeding and any settlement thereof free of interference from Tenant, and Tenant hereby waives any right which it otherwise has to participate therein.

Section 10. **Assignment and Subletting.**

10.1. **Limitations.** Tenant hereby acknowledges that Landlord has entered into this Lease because of Tenant's financial strength, goodwill, ability and expertise and that, accordingly, this Lease is one which is personal to Tenant, and agrees for itself and its successors in interest hereunder that it will not (a) assign this Lease or any of its rights under this Lease, as to all or any portion of the Premises or otherwise, or (b) make or permit any total or partial sale, lease, sublease, assignment, conveyance, license, mortgage, pledge, encumbrance or other transfer of any or all of the Premises or the occupancy or use of any or all of the Premises, voluntarily or involuntarily (each of which is hereinafter referred to as a "**Transfer**") (including, by way of example rather than limitation, (i) any sale at foreclosure or by the execution of any judgment, of any or all of Tenant's rights hereunder, or (ii) any Transfer by operation of law) without first obtaining Landlord's express written consent thereto (which consent (a) may be given or withheld in the Landlord's sole discretion and, if given, shall not constitute a consent to any subsequent such Transfer, whether by the person hereinabove named as "Tenant" or by any such transferee, but (b) shall not be deemed to have been given by Landlord's acceptance of the payment of Rent after such Transfer occurs, with or without Landlord's knowledge, or by any other act or failure to act by Landlord, other than the giving of such express, written consent, as aforesaid). Without limiting the generality of the foregoing, Landlord shall, in the event of an assignment, be entitled, at its sole discretion, to condition any such consent upon the entry by such person into an agreement with (and in form and substance satisfactory to) Landlord, by which it assumes all of Tenant's obligations hereunder. Any person to whom any Transfer is attempted without such consent shall have no claim, right or remedy whatsoever hereunder against Landlord, and Landlord shall have no duty to recognize any person claiming under or through the same.

10.1.1. The foregoing notwithstanding, Landlord shall not unreasonably withhold, condition or delay its consent to a sublease of all or a portion of the Premises, provided that (a) a proposed subtenant's business will not impose a burden on the Property's parking facilities, elevators, common areas or utilities that is greater than the burden imposed by Tenant, in Landlord's reasonable judgment; (b) the proposed subtenant would not cause Landlord to be in violation of its obligations under another lease or agreement to which Landlord is a party; (c) a proposed subtenant enters into a written sublease, reasonably satisfactory to Landlord, which provides that it will abide by and assume all of the terms and conditions of this Lease for the term of any Transfer (other than the rent and other obligations set forth in the written sublease) and containing such other terms and conditions as Landlord reasonably deems necessary; (d) the use of the Premises by the proposed subtenant will not be the use permitted by this Lease; (e) Tenant is in default at the time of the request, unless such subtenant shall cure any such default as one of the conditions of Landlord's approval; and (f) if requested by Landlord, the subtenant signs a non-disturbance and attornment agreement in favor of Landlord's lender. No Transfer made with or without Landlord's consent shall alter or impair the obligations hereunder of any person constituting Tenant, or liable as the guarantor for the obligations of Tenant, before such Transfer, or of any other person holding any interest or obligation hereunder before such Transfer. For purposes of the foregoing provisions of this subsection, a transfer, by any person or persons controlling Tenant on the date hereof, of such control to a person or persons not controlling the Tenant on the date hereof shall be deemed a Transfer of this Lease. Except in connection with a Permitted Transfer (as defined in Section 10.4 below), Landlord shall be entitled to be paid by Tenant any profit derived by Tenant from any Transfer made without Landlord's consent, as aforesaid.

10.2. **Expenses and Profits; Effect of Consent.**

10.2.1. In the event Landlord elects to permit Tenant to assign or sublet all or a portion of the Premises to a third party except to a Permitted Transferee as defined in Section 10.4 below, fifty percent (50%) of any sums that are paid by such third party for the right to occupy the Premises, in excess of the rent then in effect shall be paid by Tenant to Landlord on a monthly basis as Additional Rent after deduction for Tenant's reasonable expenses incurred in connection with the same (including, brokerage commissions, alterations and legal fees).

10.2.2. Tenant shall be responsible for all costs and expenses, including attorney's fees, incurred by Landlord in connection with any proposed or purported assignment or sublease and in addition, Tenant shall pay Landlord (as Additional Rent) an administrative fee of Two Thousand Five Hundred Dollars ($2,500.00).

10.2.3. The consent by Landlord to any assignment or subletting shall neither be construed as a waiver or release of Tenant from any covenant or obligation of Tenant under this Lease, nor as relieving Tenant from giving Landlord the aforesaid written notice of, or from obtaining the consent of Landlord to any further assignment or subletting. The collection or acceptance of Rent from any such assignee or subtenant shall not constitute a waiver or release of the Tenant from any covenant or obligation of Tenant under this lease, except as expressly agreed by Landlord in writing.

10.3. Notwithstanding anything to the contrary contained in this Section 10, and except in the case of a Permitted Transfer (as defined in Section 10.4), Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any request by Tenant to assign this Lease or to sublease space in the Premises for the remainder of the Term of this Lease, to terminate this Lease with respect to said space as of the date of the proposed assignment or sublease. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the annual Base Rent and Additional Rent hereunder, and the number of parking spaces Tenant may use shall be adjusted on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the original Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of same. If Landlord recaptures only a portion of the Premises, it shall construct and erect at its sole cost such partitions as may be required to sever the space to be retained by Tenant from the space recaptured by Landlord. Landlord may, at its option, lease any recaptured portion of the Premises to the proposed subtenant or assignee or to any other person or entity without liability to Tenant. Tenant shall not be entitled to any portion of the profit, if any, Landlord may realize on account of such termination and reletting. Tenant acknowledges that the purpose of this Section 10.3 is to enable Landlord to receive profit in the form of higher rent or other consideration to be received from an assignee or sublessee, to give Landlord the ability to meet additional space requirements of other tenants of the Building and to permit Landlord to control the leasing of space in the Building. Tenant acknowledges and agrees that the requirements of this Section 10.3 are commercially reasonable and are consistent with the intentions of Landlord and Tenant. In the event Landlord exercises such right of termination, Tenant shall have the right, exercisable by delivery of written notice within five (5) business days of Landlord's election to terminate, to rescind its request to Transfer and continue this Lease.

10.4. Notwithstanding anything to the contrary contained in this Section 10, provided Tenant is not in default beyond applicable notice and cure periods, Tenant shall have the right, without Landlord's consent, upon twenty (20) business days advance written notice to Landlord (unless Tenant is prohibited from giving advance notice pursuant to applicable legal requirements including SEC regulations, in which case Tenant shall notify Landlord of the same as soon as legally permitted to do so), to assign the Lease or sublet the

whole or any part of the Premises to any entity or entities which are owned by Tenant, or which owns Tenant or any entity that controls, is controlled by or is under common control with Tenant (which for purposes hereof, "control" shall be deemed to be ownership of more than fifty percent (50%) of the stock or other voting interest of the controlled corporation or other business entity, and which shall be referred to herein as "**Affiliates**") or to an entity which succeeds to Tenant's interest in this Lease by reason of a merger, acquisition, reorganization or consolidation (each of the transactions referenced in this Section 10.4 are hereinafter referred to as a "**Permitted Transfer**," and each surviving entity shall hereinafter be referred to as a "**Permitted Transferee**"); provided, that such assignment or sublease is subject to the following conditions:

(a) Tenant (to the extent it survives) shall remain fully liable under the terms of the Lease;

(b) such Permitted Transfer shall be subject to all of the terms, covenants and conditions of the Lease;

(c) such Permitted Transferee has a net worth at least equal to the greater of the net worth of Tenant as of the date of this Lease or the net worth of Tenant as of the date of the Permitted Transfer, and

(d) such Permitted Transferee shall expressly assume the obligations of Tenant under the Lease by a document reasonably satisfactory to Landlord.

Section 11. **Rules and Regulations.** Tenant shall have the non-exclusive right, in common with others, to use the common areas in conjunction with Tenant's use of the Premises for the Permitted Use, and such use of the common areas and Tenant's use of the Premises shall be subject to the rules and regulations adopted by Landlord and attached hereto as Exhibit "C", together with such other reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion (the "**Rules and Regulations**"). Tenant shall faithfully observe and comply with the Rules and Regulations. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or any agent, employee or invitee thereof of any of the Rules and Regulations, but shall apply and enforce the Rules and Regulation is a non-discriminatory manner against Tenant.

Section 12. **Subordination; Attornment and Non-Disturbance.**

12.1. **Subordination.** This Lease shall be subject and subordinate to the lien, operation and effect of each mortgage, deed of trust, ground lease and/or other, similar instrument of encumbrance heretofore or hereafter covering any or all of the Premises or the remainder of the Property (and each renewal, modification, consolidation, replacement or extension thereof, including all future advances) (each of which is herein referred to as a "**Mortgage**"), all automatically and without the necessity of any action by either party hereto; provided that the subordination of this Lease to a future Mortgage is expressly conditioned upon Tenant's receipt of a SNDA (as defined below) on such future holder's standard form.

12.2. **Attornment and Non-Disturbance.** Tenant shall, within ten (10) business days after the request of Landlord or the holder of any Mortgage (herein referred to as a "**Mortgagee**"), execute, enseal, acknowledge and deliver such further instrument or instruments:

12.2.1. Evidencing such subordination as Landlord or such Mortgagee deems necessary or desirable, and

12.2.2. (At such Mortgagee's request) attorning to such Mortgagee or any successor-in-interest.

12.3. **Rent Paid In Advance.** Neither Mortgagee nor any successor-in-interest shall be bound by any payment of Rent for more than one (1) month in advance or any amendment or modification of this Lease made without the express written consent of Mortgagee or successor-in-interest.

12.4. **SNDA**. Landlord shall throughout the Term, use commercially reasonable efforts to obtain a subordination, non-disturbance and attornment agreement ("**SNDA**") on Tenant's behalf from any current and future Mortgagee or holder of a deed of trust or other hypothecation or security on the Building, on such secured party's commercially reasonable form. Tenant agrees to promptly execute, acknowledge and deliver the same if it shall conform in substance to the terms and conditions of this Section 12.

Section 13. **Default.**

13.1. **Definition.** As used in the provisions of this Lease, each of the following events shall constitute, and is hereinafter referred to as, an "**Event of Default**":

13.1.1. If Tenant fails (a) to pay any Base Rent, Additional Rent or other sum which it is obligated to pay by any provision of this Lease, when and as due and payable hereunder (which also expressly includes any failure to timely make any Work Loan Payment) and such failure shall continue for a period of five (5) days after written notice thereof is delivered from Landlord to Tenant; provided, however, that Landlord shall not be obligated to delivery such notice more frequently than twice every twelve (12) months or three (3) times total during the Term, or (b) to comply with any term, provision or covenant of this Lease, including, without limitation, the Rules and Regulations, which failure is not cured within thirty (30) days after delivery to Tenant of written notice of the occurrence of such failure; provided, however, that if the failure identified is incapable of being cured within such thirty (30) day period for reasons which are beyond the reasonable control of Tenant, then such thirty (30) day cure period shall be extended for an additional reasonable amount of time not in excess of ninety (90) additional days as may be necessary for Tenant to effect such cure, so long as Tenant proceeds diligently to effect such cure upon its receipt of Landlord's written notice, and provided, further, that if any such failure creates a hazardous condition, or causes Landlord to be in default under any Mortgage on the Building or subjects Landlord to any material civil or criminal liability, then in any such event Landlord shall have the right to cure such failure and Tenant shall be responsible for the actual out-of-pocket costs incurred by Landlord to cure such failure on Tenant's behalf; or

13.1.2. If Tenant (a) applies for or consents to the appointment of a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (c) makes an assignment for the benefit of its creditors, (d) files a petition or an answer seeking a reorganization or any arrangement with creditors, or seeks to take advantage of any insolvency law, (e) performs any other act of bankruptcy, or (f) files an answer admitting the material allegations of a petition filed against Tenant in any bankruptcy, reorganization or insolvency proceeding; or

13.1.3. If (a) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating Tenant a bankrupt or an insolvent, approving a petition seeking such a reorganization, or appointing a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, or (b) there otherwise commences as to

Tenant or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for more than sixty (60) consecutive days after any stay thereof expires.

13.2. [Intentionally Omitted]

13.3. [Intentionally Omitted]

13.4. **Landlord's Rights on Event of Default.**

13.4.1. Upon the occurrence of any Event of Default, Landlord shall have the option in its sole and exclusive discretion to pursue any one or more of the following remedies, using appropriate legal proceedings, but without any notice (except as expressly prescribed in Section 13.1.1 above) or demand whatsoever (and without limiting the generality of the foregoing, Tenant hereby specifically waives notice and demand for payment of Rent or other obligations due except as expressly prescribed in Section 13.1.1 above or expressly stated elsewhere in this Lease and waives any and all other notices or demand requirements imposed by applicable law):

(a) re-enter and repossess any or all of the Premises and any or all improvements thereon and additions thereto; and/or

(b) declare to be due and payable immediately the sum of (i) the worth at the time of award of any unpaid Rent that had accrued at the time of such termination; plus (ii) an amount (the "**Election Amount**") equal the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present fair market rental value of the Premises as reasonably determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of eight (8) percentage point. Accelerated payments payable hereunder shall not constitute a penalty or forfeiture, but shall merely constitute payment of Rent in advance as liquidated damages; and/or

(c) terminate this Lease by giving written notice of such termination to Tenant, which termination shall be effective as of the date of such notice or any later date therefor specified by Landlord therein (provided, that without limiting the generality of the foregoing provisions of this Subparagraph 13.4.1(c), Landlord shall not be deemed to have accepted any abandonment or surrender by Tenant of any or all of the Premises or Tenant's leasehold estate under this Lease unless Landlord has so advised Tenant expressly and in writing, regardless of whether Landlord has reentered or relet any or all of the Premises or exercised any or all of Landlord's other rights under the provisions of this Section 13 or applicable law); and/or

(d) in Landlord's own name (but either (i) as agent for Tenant, if this Lease has not then been terminated, or (ii) for the benefit of Tenant, if this Lease has then been terminated), relet any or all of the Premises with or without any additional premises, for any or all of the remainder of the Term (or, if this Lease has then been terminated, for any or all of the period which would, but for such termination, have constituted the remainder of the Term) or for a period exceeding such remainder, on such terms and subject to such conditions as are acceptable to the Landlord in its sole and absolute discretion (including, by way of example rather than of limitation, the commercially reasonable alteration of any or all of the Premises in any manner which, in Landlord's judgment, is necessary or desirable as a condition to or otherwise in connection with such reletting, and the allowance of one or more concessions

or "free-rent" or reduced-rent periods), and collect and receive the rents therefor. Anything contained in the provisions of this Lease or applicable law to the contrary notwithstanding, (i) Landlord shall not have any duty or obligation to relet any or all of the Premises as the result of any Event of Default, or any liability to Tenant or any other person for any failure to do so or to collect any rent or other sum due from any such reletting; (ii) Tenant shall have no right in or to any surplus which may be derived by the Landlord from any such reletting, in the event that the proceeds of such reletting exceed any Rent, installment thereof or other sum owed by the Tenant to Landlord hereunder; and (iii) Tenant's liability hereunder shall not be diminished or affected by any such failure to relet or the giving of any such initial or other commercially reasonable concessions or "free-rent" or reduced rent periods in the event of any such reletting. In the event of any such reletting, Tenant shall pay to Landlord, at the times and in the manner specified by the provisions of Section 2 (unless Landlord has elected to recover the Election Amount hereunder, in which event Tenant shall be obligated to pay such Election Amount), (i) the installments of the Base Rent and any Additional Rent accruing during such remainder (or, if this Lease has then been terminated, damages equaling the respective amounts of such installments of the Base Rent and any Additional Rent which would have accrued during such remainder, had this Lease not been terminated), less any monies received by Landlord with respect to such remainder from such reletting of any or all of the Premises, plus (ii) the reasonable out of pocket cost to Landlord of any such reletting (including, by way of example rather than limitation, any reasonable attorneys' fees, leasing or brokerage commissions, repair or improvement expenses and the expense of any other actions taken in connection with such reletting), plus (iii) any other sums for which Tenant is liable under the provisions of Subparagraph 13.4.4; and/or

(e) cure such Event of Default in any other manner; and/or

(f) pursue any combination of such remedies and/or any other right or remedy available to Landlord on account of such Event of Default under this Lease and/or at law or in equity, and nothing herein contained shall limit or prejudice Landlord's right to prove for and obtain as damages, by reason of any termination or otherwise, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved.

13.4.2. No such expiration or termination of this Lease, or summary dispossession proceedings, abandonment, reletting, bankruptcy, re-entry by the Landlord or vacancy, shall relieve the Tenant of any of its liabilities and obligations under this Lease (whether or not any or all of the Premises are relet), and the Tenant shall remain liable to the Landlord for all damages resulting from any Event of Default, including but not limited to, any damage resulting from the breach by Tenant of any of its obligations under this Lease to pay Rent and any other sums which the Tenant is obligated to pay hereunder.

13.4.3. Landlord may also recover from Tenant to the extent permitted under the laws of Maryland, the unamortized value and cost of all allowances and concessions granted to Tenant under the Lease.

13.4.4. On the occurrence of an Event of Default, Tenant shall, immediately on its receipt of a written demand therefor from Landlord, reimburse Landlord for all expenses (including, by way of example rather than of limitation, any and all reasonable repossession costs, management expenses, operating expenses, legal expenses and attorneys' fees) incurred by Landlord (a) in curing or seeking to cure any Event of Default and/or (b) in exercising or seeking to exercise any of Landlord's rights and remedies under the provisions of this Lease and/or at law or in equity on account of any Event of Default, and/or (c) otherwise arising out of any Event of Default, and/or (d) (regardless of

whether it constitutes an Event of Default) in connection with any action, proceeding, or manner of the types referred to in the provisions of Subparagraphs 13.1.2 and 13.1.3.

13.4.5. Tenant hereby expressly waives, so far as permitted by law, the service of any notice of intention to re-enter provided for in any statute, and except as is herein otherwise provided, Tenant, for itself and all persons claiming through or under Tenant (including any leasehold mortgagee or other creditors), also waives any and all right of redemption or re-entry or repossession in case Tenant is dispossessed by a judgment or warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease. The terms "enter", "re-enter", "entry" or "re-entry" as used in this Lease are not restricted to their technical legal meanings.

13.4.6. Any amounts due to Landlord hereunder in this Lease shall accrue interest at equal to the lesser of (a) eighteen percent (18%) per annum or (b) the highest rate permitted by Applicable Law (the "**Default Rate**").

13.5. **Landlord's Security Interest.** In addition to any lien for rent available to Landlord, Landlord shall have, and Tenant hereby grants to Landlord, a continuing security interest for all Rent and other sums of money becoming due hereunder from Tenant, upon all of Tenant's Personal Property (as defined below) located on the Premises. Following an Event of Default which would entitle Landlord to terminate this Lease (i.e., a monetary or material non-monetary Event of Default), Landlord shall have, in addition to any other remedies provided herein or by law, all of the rights and remedies afforded to secured parties under the provisions of the Uniform Commercial Code, as codified in Maryland (hereinafter referred to as "**the Code**"), including by way of example rather than of limitation (a) the right to sell Tenant's said property at public or private sale upon ten (10) days' notice to Tenant, and (b) the right to take possession of such property without resort to judicial process in accordance with the provisions of Section 9-503 of the Code. Tenant shall, on its receipt of a written request therefor from Landlord, execute such financing statements and other instruments as are necessary or desirable, in Landlord's judgment, to perfect such security interest. Except during the continuance of an Event of Default, Tenant shall have the right to remove and dispose of any Personal Property in the ordinary course of business free and clear of said security interest.

13.5.1. Notwithstanding the foregoing, upon Tenant's request Landlord agrees to execute a statement acknowledging that Landlord agrees to subordinate any such lien and security interest to any lien or security interest granted by Tenant in or to any of its tangible personal property located in the Premises ("**Personal Property**") as security for indebtedness. Such subordination shall be on Landlord's standard form, and in order to be binding upon Landlord, Landlord must be provided with a fully executed copy of such subordination document within ninety (90) days after full execution thereof. Notwithstanding the foregoing, if Tenant shall secure any financing, Landlord shall, within twenty (20) days after request by Tenant and provided Tenant is not then in an Event of Default, execute and deliver to the party providing any such financing such subordination of any lien Landlord may have on such Personal Property, which waiver may authorize the secured party to enter upon the Premises and remove the Personal Property in question if Tenant defaults under the terms of any such security agreement, upon providing proof of insurance and agreeing to indemnify Landlord for damage caused by such entry and removal. Any such security agreement shall expressly provide that the secured party will, in the event Tenant shall default thereunder, give Landlord not less than ten (10) days' notice of such default before exercising its rights to remove any such Personal Property. Notwithstanding the foregoing, in no event shall Tenant grant a security interest in any permanently installed improvements including but not limited to (a) heating, ventilation and air conditioning equipment (HVAC); (b) lighting and all other electrical fixtures and equipment; and (c) plumbing fixtures and equipment including hot water heaters, water

systems, sprinkler systems, and the like. To cover Landlord's costs related to this subordination, Tenant shall pay to Landlord the greater of (a) Five Hundred and 00/100 Dollars ($500.00), or (b) those expenses (including attorney's fees) actually incurred by Landlord in connection with this subordination, payable as Additional Rent (the "**Lien Waiver Review Charge**"). Notwithstanding the foregoing, upon Tenant Request, Landlord agrees to waive the first Lien Waiver Review Charge.

13.6. **Default by Landlord.** If Landlord violates any of its obligations under the provisions of this Lease, Tenant may (subject to the operation and effect of the provisions of Subparagraph 2.3.3 requiring Tenant to pay all Rent when due, without deduction or set-off whatsoever) exercise any right or remedy which it holds on account thereof hereunder, at law or in equity; provided, that if any or all of the Premises is then subject to any first Mortgage, Tenant shall not exercise any of its rights or remedies on account thereof unless and until it has given written notice of its intention to do so, by certified or registered mail, return receipt requested, to the Mortgagee under such first Mortgage, specifying therein the nature of such default in reasonable detail, and unless such Mortgagee has not cured such default on Landlord's behalf within thirty (30) days after such notice is given.

13.7. In the event of an Event of Default described in subsections 13.1.2. or 13.1.3. of this Lease, any assumption and assignment must conform with the requirements of the Federal Bankruptcy Code, as such may be amended, which provides, in part, that the Landlord must be provided with adequate assurances (i) of the source of rent and other consideration due under this Lease; (ii) that the financial condition and operating performance of any proposed assignee and its guarantors, if any, shall be similar to the financial condition and operating performance of Tenant and its guarantors, if any, as of the date of execution of this Lease; and (iii) that any assumption or assignment is subject to all of the provisions of this Lease (including, but not limited to, restrictions as to use) and will not breach any such provision contained in any other lease, financing agreement or other agreement relating to the Building.

(a) In order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Tenant must fulfill the following obligations, in addition to any other reasonable obligations that Landlord may require, before any assumption of this Lease is effective: (i) all monetary Events of Defaults under subsection 13.1.1. of this Lease must be cured within ten (10) days after the date of assumption; (ii) all other Events of Defaults under subsection 13.1.1. of this Lease must be cured within fifteen (15) days after the date of assumption; (iii) all actual monetary losses incurred by Landlord (including, but not limited to, reasonable attorneys' fees) must be paid to Landlord within ten (10) days after the date of assumption; and (iv) Landlord must receive within ten (10) days after the date of assumption a security deposit in the amount of six (6) monthly installments of Base Rent (using the annual Base Rent in effect for the first full month immediately following the assumption) and an advance prepayment of annual Base Rent in the amount of three (3) monthly installments of Base Rent (using the annual Base Rent in effect for the first full month immediately following the assumption), both sums to be held by Landlord in accordance with Section 2.6. above and deemed to be rent under this Lease for the purposes of the Bankruptcy Code as amended and from time to time in effect.

(b) In the event this Lease is assumed in accordance with the requirements of the Bankruptcy Code and this Lease, and is subsequently assigned, then, in addition to any other reasonable obligations that Landlord may require and in order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Landlord shall be provided with (i) a financial statement of the proposed assignee prepared in accordance with generally accepted accounting principles consistently applied, which reveals a net worth in an amount sufficient, in Landlord's reasonable judgment, to assure the future performance by the proposed assignee of Tenant's obligations under this Lease; or (ii) a written guaranty by one or more

guarantors with financial ability sufficient to assure the future performance of Tenant's obligations under this Lease, such guaranty to be in form and content satisfactory to Landlord and to cover the performance of all of Tenant's obligations under this Lease.

Section 14. **Estoppel Certificate.** Tenant shall from time to time, within ten (10) business days after being requested to do so by the Landlord or any Mortgagee, execute, enseal, acknowledge and deliver to the Landlord (or, at Landlord's request, to any existing or prospective purchaser, transferee, assignee or Mortgagee of any or all of the Premises, the Property, any interest therein or any of Landlord's rights under this Lease) an instrument in recordable form, acknowledging and agreeing that any statement contained in such certificate may be relied upon by Landlord and any such other addressee, and certifying: (a) that this Lease is unmodified and in full force and effect (or, if there has been any modification thereof, that it is in full and effect as so modified, stating therein the nature of such modification); (b) as to the dates to which the Base Rent and any Additional Rent and other charges arising hereunder have been paid; (c) as to the amount of any prepaid Rent or any credit due to Tenant hereunder; (d) that Tenant has accepted possession of the Premises, and the date on which the Term commenced; (e) as to whether, to the best knowledge, information and belief of the signer of such certificate, Landlord or Tenant is then in default in performing any of its obligations hereunder (and, if so, specifying the nature of each such default); and (f) as to any other fact or condition reasonably requested by Landlord or such other addressee. At Landlord's option, the failure of Tenant to deliver such statement within such time shall constitute a material default of Tenant hereunder, or it shall be conclusive upon 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, (c) not more than one month's Base Rent has been paid in advance, (d) all Improvements to be constructed by Landlord, if any, have been completed in accordance with Landlord's obligations and (e) Tenant has taken possession of the Premises.

Section 15. **Quiet Enjoyment.** Landlord hereby covenants that, subject to matters of record as of the date hereof, Tenant, on paying the Rent and performing the covenants set forth herein, shall peaceably and quietly hold and enjoy, without interference by Landlord throughout the Term, (a) the Premises, and (b) such rights as Tenant may hold hereunder with respect to the remainder of the Property. Nothing in the provisions of this Lease shall be deemed to impose upon Landlord any liability on account of any act or failure to act by any person other than the Landlord (or, where expressly so provided herein, Landlord's agents and employees). Any diminution or shutting off of light or air by any structure, which is now, or hereafter erected on the Property or upon property adjacent to the Property shall not affect this Lease or impose any liability on Landlord.

Section 16. **Notices.** Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as UPS, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in the preceding clause (a) or (b) . Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with the preceding clause (a); (y) one business (1) day after deposit with a reputable international overnight delivery service, if given if given in accordance with the preceding clause (b); or (z) upon transmission, if given in accordance with the preceding clause (c). Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant at the Premises (after the Rent Commencement Date), or to Landlord or Tenant (prior to the Rent Commencement Date) at the addresses shown in the preamble to this Lease. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes. A copy of any notice of default to Tenant shall also be

sent to Foley Hoag LLP, 155 Seaport Boulevard, Boston, Massachusetts 02210, Attn: Real Estate Department.

Section 17. **General.**

17.1. **Effectiveness.** The submission of this Lease for review does not constitute a reservation of or option for the Premises or any other space in the Building and shall not vest any right in Tenant. This Lease shall become effective on and only on its execution and delivery by each party hereto.

17.2. **Complete Understanding.** This Lease represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in the provisions of this Lease. Neither party hereto has any right to rely on any other prior nor contemporaneous representations made by anyone concerning this Lease which are not set forth herein.

17.3. **Amendment.** This Lease may be amended by and only by an instrument executed and delivered by each party hereto.

17.4. **Applicable Law.** This Lease shall be given effect and construed by application of the law of Maryland without regard to choice of law principles and any action or proceeding arising hereunder shall be brought in the courts of Maryland.

17.5. **No Waiver of Rights.** Landlord shall not be deemed to have waived the exercise of any right, which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by Landlord in exercising any such right shall be deemed a waiver of its future exercise). No such waiver as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

17.6. **Time of Essence.** All times or dates set forth in this Lease shall be of the essence of this Lease, including specifically, but without limitation, any date set forth herein for the expiration of the Term, or for the expiration of Tenant's right to extend the Term, if any.

17.7. **Headings.** The headings of the sections, paragraphs and subparagraphs hereof are provided herein for and only for the convenience of reference, and shall not be considered in construing their contents.

17.8. **Construction.** As used herein, the term "person" means a natural person, a trustee, a corporation, a partnership and any other form of legal entity; and all references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (c) to any section, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such section, paragraph or subparagraph of this Lease.

17.9. **Exhibits.** Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof.

17.10. **Severability.** No determination by any court, governmental body or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, Applicable Law.

17.11. **Definition of "Landlord".**

17.11.1. As used herein, the term "Landlord" means the person hereinabove named as such, and its heirs, personal representatives, successors and assigns (each of whom shall have the same rights, remedies, powers, authorities and privileges as it would have had, had it originally signed this Lease as Landlord).

17.11.2. No person holding Landlord's interest hereunder (whether or not such person is named as "Landlord" herein) shall have any liability hereunder after such person ceases to hold such interest, except for any such liability accruing while such person holds such interest.

17.11.3. No Mortgagee not in possession of the Premises or the Building shall have liability hereunder.

17.11.4. Neither Landlord nor any principal of Landlord, whether disclosed or undisclosed, shall have any personal liability under any provision of this Lease. If Landlord defaults in performing any of its obligations hereunder or otherwise, Tenant shall look solely to Landlord's interest in the Property to satisfy Tenant's remedies on account thereof.

17.12. **Definition of "Tenant".** As used herein, the term "Tenant" means the entity hereinabove named as such and such entity's successors and assigns, each of whom shall have the same obligations, liabilities, rights and privileges as it would have possessed had it originally executed this Lease as Tenant; provided, that no such right or privilege shall inure to the benefit of any assignee of Tenant, immediate or remote, unless the assignment to such assignee is made in accordance with the provisions of Section 10. Whenever two or more persons constitute Tenant, all such persons shall be jointly and severally liable for performing Tenant's obligations hereunder.

17.13. **Commissions.** Each party hereto represents and warrants to the other that, other than as is set forth hereinbelow, in connection with the leasing of the Premises hereunder, the party so representing and warranting has not dealt with any real estate broker, agent or finder, and there is no commission, charge or other compensation due on account thereof. Each party hereto shall indemnify and hold harmless the other against and from any inaccuracy in such party's representation. The rights, obligations, warranties and representations of the parties hereto under the provisions of this paragraph shall survive termination of this Lease. The parties hereto acknowledge and agree that, in connection with their entry into this Lease, they have not utilized the services of any broker other than Scheer Partners, Inc. Landlord shall pay to such brokers any and all commissions due to it for such services in accordance with the provisions of a written brokerage agreement by and between Landlord and such brokers.

17.14. **Approval by Mortgagees.** Anything contained in the provisions of this Lease to the contrary notwithstanding, Landlord shall be entitled at any time hereafter, but before Landlord delivers possession of the Premises to Tenant hereunder, to terminate this Lease by giving written notice thereof to Tenant, if any Mortgagee fails to approve this Lease. Landlord shall use commercially reasonable efforts to obtain a SNDA from its Mortgagee.

17.15. **Other Waivers.** Failure by either party to declare an Event of Default (or a default by Landlord) immediately upon its occurrence, or delay in taking any action in connection with an Event of Default (or a default by Landlord), shall not constitute a waiver of default, but the non-defaulting party shall have the right to declare the default at any time and take such action as is lawful or authorized under this Lease. Pursuit of any one or more of the remedies set forth in this Lease above shall not preclude pursuit of any one or more of the other remedies provided elsewhere in this Lease or provided by law, nor shall pursuit of any remedy constitute forfeiture or waiver of any rent or damages accruing to the non-defaulting party by reason of the violation of any of the terms, provisions or covenants of this Lease. Failure by either party to enforce one or more of the remedies provided upon an Event of Default (or a default by Landlord) shall not be deemed or construed to constitute a waiver of the default or of any other violation or breach of any of the terms, provisions and covenants contained in this Lease. No agreement to accept a surrender of the Premises and no act or omission by Landlord or Landlord's agents during the Term shall constitute an acceptance or surrender of the Premises or a termination of this Lease unless made in writing and signed by Landlord. No re-entry or taking possession of the Premises by Landlord shall constitute an election by Landlord to terminate this Lease unless a written notice of such intention is given to Tenant. No custom or practice which may develop between the parties in connection with the terms of this Lease shall be construed to waive or lessen either party's right to insist upon strict performance of the terms of this Lease, without written notice thereof to the other party. LANDLORD AND TENANT EACH AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER IN CONNECTION WITH THIS LEASE OR ANY MATTER ARISING HEREUNDER.

17.16. **Covenants as to Hazardous Materials.**

17.16.1. "**Hazardous Materials**" shall mean (i) any flammable, explosive, toxic, radioactive, biological, corrosive or otherwise hazardous chemical, substance, liquid, gas, device, form of energy, material or waste or component thereof, including petroleum and any fractions thereof or petroleum-based products, any substance that with the passage of time may constitute a public or private nuisance, or which now or subsequently are found to have or likely have an adverse effect on the environment or the health and safety of persons or animals or the presence of which require investigation or remediation under any Environmental Law or governmental policy, and (ii) any item defined as a "hazardous substance", "hazardous material", "hazardous waste", "regulated substance" or "toxic substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("**CERCLA**"), 42 U.S.C. §9601, et seq., Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., Clean Water Act, 33 U.S.C. § 1251, et seq., Safe Drinking Water Act, 14 U.S.C. §300f, et seq., Toxic Substances Control Act, 15 U.S.C. §2601, et seq., Atomic Energy Act of 1954, 42 U.S.C. §2014 et seq., Environment Article of the Maryland Annotated Code, Section 4-401 *et seq.*, and any similar federal, state or local legal requirements, and all regulations, guidelines, orders, directives and other requirements thereunder, all as may be amended or supplemented from time to time.

17.16.2. "**Environmental Laws**" means any federal, state and local laws, orders, agreements and ordinances relating to the protection of human health or the environment or the regulation, keeping, use or disposition of environmentally hazardous materials, substances, or wastes, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations and guidance, orders or agreements issued or signed pursuant to any of such laws or ordinances.

17.16.3. Tenant shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in or about the Premises, the Building or the Property in violation of Environmental Laws by Tenant or any of its employees, agents, contractors or invitees (collectively with Tenant, each a "**Tenant Party**"). If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Property, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term or any extension or renewal hereof or holding over hereunder (other than if such contamination results from (i) migration of Hazardous Materials from outside the Premises not caused by a Tenant Party, (ii) to the extent such contamination is caused by actions of Landlord, or its employees, agents, contractors or invitees, or (iii) such contamination existed in the Premises on the Lease Commencement Date) or (d) contamination of the Property occurs as a result of Hazardous Materials that are placed on or under or are released into the Property by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Property or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, (y) damages arising from any adverse impact on marketing of space in the Property or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Property. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Property, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Property, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Property, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Property, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation.

17.16.4. Landlord acknowledges that it is not the intent of this Article to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws, including Environmental Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any Environmental Laws, (b) a list of any and all approvals or permits from Governmental Authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of (i) notices of violations of Environmental Laws related to Hazardous Materials and (ii) plans relating to the installation of any storage tanks to be installed in, on, under or about the Property (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord may withhold in its sole and absolute discretion) and closure plans or any other documents required by any and

all Governmental Authorities for any storage tanks installed in, on, under or about the Property for the closure of any such storage tanks (collectively, "**Hazardous Materials Documents**") a copy of which is attached hereto as Exhibit "F". Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials. For each type of Hazardous Material listed, the Hazardous Materials Documents shall include (t) the chemical name, (u) the material state (e.g., solid, liquid, gas or cryogen), (v) the concentration, (w) the storage amount and storage condition (e.g., in cabinets or not in cabinets), (x) the use amount and use condition (e.g., open use or closed use), (y) the location (e.g., room number or other identification) and (z) if known, the chemical abstract service number. Notwithstanding anything in this Section to the contrary, Tenant shall not be required to provide Landlord with any Hazardous Materials Documents containing information of a proprietary nature, which Hazardous Materials Documents, in and of themselves, do not contain a reference to any Hazardous Materials or activities related to Hazardous Materials. Landlord may, at Landlord's expense, cause the Hazardous Materials Documents to be reviewed by a person or firm qualified to analyze Hazardous Materials to confirm compliance with the provisions of this Lease and with Applicable Laws. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

17.16.5. Notwithstanding the provisions of this Sections 17.16, if (a) Tenant or any proposed Transferee of Tenant has been required by any prior landlord, Mortgagee or Governmental Authority to take material remedial action in connection with Hazardous Materials contaminating a property if the contamination resulted from such party's action or omission or use of the property in question or (b) Tenant or any proposed transferee, assignee or sublessee is subject to a material enforcement order issued by any Governmental Authority in connection with the use, disposal or storage of Hazardous Materials, then Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion (with respect to any such matter involving Tenant), and it shall not be unreasonable for Landlord to withhold its consent to any proposed Transfer (with respect to any such matter involving a proposed Transferee).

17.16.6. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Property or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials for which Tenant is responsible pursuant to this Lease exist at the Property in violation of this Lease.

17.16.7. If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws.

Tenant shall have no responsibility or liability for underground or other storage tanks installed by anyone other than Tenant unless Tenant utilizes such tanks, in which case Tenant's responsibility for such tanks shall be as set forth in this Section.

17.16.8. Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

17.16.9. Notwithstanding anything to the contrary in this Lease, Landlord shall have sole control over the equitable allocation of fire control areas (as defined in the Uniform Building Code as adopted by the city or municipality(ies) in which the Property is located (the "**UBC**")) within the Property for the storage of Hazardous Materials. Notwithstanding anything to the contrary in this Lease, the quantity of Hazardous Materials allowed by this Section 17.16 is specific to Tenant and shall not run with the Lease in the event of a Transfer. In the event of a Transfer, if the use of Hazardous Materials by such new tenant ("**New Tenant**") is such that New Tenant utilizes fire control areas in the Property in excess of New Tenant's Share of the Building, then New Tenant shall, at its sole cost and expense and upon Landlord's written request, establish and maintain a separate area of the Premises classified by the UBC as an "H" occupancy area for the use and storage of Hazardous Materials, or take such other action as is necessary to ensure that its share of the fire control areas of the Building is not greater than New Tenant's Share of the Building. Notwithstanding anything in this Lease to the contrary, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of fire control areas, it being acknowledged by Tenant that Tenant and other tenants are best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures

17.16.10. Tenant's obligations under this Section 17.16 shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Section 1.4.

17.17. **Rule Against Perpetuities.** In order to ensure the compliance of this Lease with any rule against perpetuities that may be in force in the state in which the Premises are located, and without limiting or otherwise affecting Landlord's and Tenant's rights and obligations under this Lease, as stated in the other sections thereof, Landlord and Tenant agree that, irrespective of the reasons therefor, in the event Tenant fails to take possession of the Premises and commence paying Base Rent hereunder within twenty (20) years after the date of execution of this Lease, then this Lease, and the obligations of the parties hereunder, shall be deemed to be null and void and of no further force and effect. Nothing contained in this Section 17.17. shall be construed to limit Landlord's right and remedies hereunder or otherwise with respect to the failure by Tenant to take possession of the Premises and/or commence paying Rent hereunder.

17.18. **Landlord Obligations Independent.** Tenant shall not for any reason withhold or reduce Tenant's required payments of rentals and other charges provided in this Lease, it being agreed that the obligations of Landlord under this Lease are independent of Tenant's obligations except as may be otherwise expressly provided. The immediately preceding sentence shall not be deemed to deny Tenant the ability of pursuing all rights granted it under this Lease or at law; however, at the direction of Landlord, Tenant's claims in this regard shall be litigated in proceedings different from any litigation involving rental claims or other claims by Landlord against Tenant (i.e., each party may proceed to a separate judgment without consideration, counterclaim or offset as to the claims asserted by the other party) unless such claim is mandatory and cannot be litigated in separate proceeding.

17.19. **Landlord's Consent.** In all circumstances under this Lease where the prior consent of Landlord is required before Tenant is authorized to take any particular type of action and, pursuant to the express terms of this Lease Landlord may grant or withhold its consent in its sole and absolute discretion, and Tenant agrees that its exclusive remedy if it believes that such consent has been withheld improperly shall be to institute litigation either for a declaratory judgment or for a mandatory injunction requiring that such consent be given (with Tenant hereby waiving any claim for damages, attorneys' fees or any other remedy).

17.20. **Reserved**.

17.21. **Successors and Assigns.** All covenants and obligations contained in this Lease shall bind and inure to the benefit of Landlord, its successors and assigns, and shall be binding upon Tenant and its permitted successors and assigns.

17.22. **Prohibition against Recording.** Tenant shall not record this Lease. Without the prior written consent of Landlord, Tenant shall not record any memorandum of this Lease, short form of this Lease, or other reference to this Lease.

17.23. **Multiple Parties.** If Tenant shall be one or more individuals, corporations or other entities, whether or not operating as a partnership or joint venture, then each such individual, corporation, entity, joint venturer or partner shall be deemed to be both jointly and severally liable for the payment of the entire Rent and other payments specified herein.

17.24. **Financial Statements.** From time to time but no more frequently than once per calendar year, except in connection with a sale or financing, and at all times following an Event of Default, following Landlord's written request, Tenant shall cause the following financial information to be delivered to Landlord, at Tenant's sole cost and expense, upon not less than ten (10) business days' advance written notice from Landlord: (a) a current financial statement for Tenant and Tenant's financial statements for the previous two accounting years, (b) a current financial statement for any guarantor(s) of this Lease and the guarantor's financial statements for the previous two accounting years and (c) such other financial information pertaining to Tenant or any guarantor as Landlord or any lender or purchaser of Landlord may reasonably request. All financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Tenant hereby authorizes Landlord, from time to time, without notice to Tenant, to obtain a credit report or credit history on Tenant form any credit reporting company. So long as Tenant or a parent company of Tenant with whom Tenant's financials are consolidated is a "public company" and its financial information is publicly available, then the foregoing delivery requirements of this Section 17.24 shall not apply.

Section 18. **Tenant's Anti-Terrorism Representation.**

Tenant hereby represents and warrants that Tenant, nor any of its respective officers, or directors, is or will be an entity or person: (i) that is listed in the Annex to, or is otherwise subject to the provisions of Executive Order 13224 issued on September 24, 2001 ("**EO13224**"); (ii) whose name appears on the United States Treasury Department's Office of Foreign Assets Control ("**OFAC**") most current list of "Specifically Designated National and Blocked Persons" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website); (iii) who commits, threatens to commit or supports "terrorism", as that term is defined in EO13224; (iv) is subject to sanctions of the United States government or is in violation of any federal, state, municipal or local laws, statutes, codes, ordinances, orders, decrees, rules or regulations relating to terrorism or money laundering, including, without limitation, EO13224 and

the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001; or (v) who is otherwise affiliated with any entity or person listed above (any and all parties or persons described in clauses (i) – (v) above are herein referred to as a "**Prohibited Person**").

Neither Tenant nor any of their respective officers or directors, shall (a) conduct any business, nor engage in any transaction or dealing, with any Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person, or (b) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in EO13224. Tenant agrees to indemnify and hold Landlord harmless from and against all Claims that arise out of or relate to Tenant's engagement in any activity associated with either (a) or (b) set forth above. If Landlord incurs any liability as a result of Tenant's violation of the provisions of this Section, the same shall be considered an immediate Event of Default and Landlord shall not be required to grant Tenant any cure period prior to exercising its rights under this Lease, including, without limitation, termination of the Lease.

Section 19. Option to Renew

19.1. Provided that no Event of Default shall have occurred at the time of Tenant's exercise of the applicable option or at the commencement of the applicable extended term, Tenant is hereby granted the option to renew (a "**Renewal Option**") the Term for (1) additional term of five (5) years (the "**Renewal Term**"), in accordance with the terms of this Section 19. Tenant may elect to exercise the Renewal Option only on the entirety of the Premises. Tenant shall provide to Landlord on a date which is prior to the date that the option period would commence (if exercised) by at least two hundred seventy (270) days, but not more than three hundred sixty-five (365) days, a written notice of the exercise of the option to extend the Lease for the Renewal Term. Such notice shall be given in accordance with Section 16 of the Lease. If notification of the exercise of the Renewal Option is not so given and received, *time hereby being of the essence*, the Renewal Option granted hereunder shall automatically expire. Base Rent applicable to the Premises for each Renewal Term shall be equal to the lesser of (i) one hundred three percent (103%) of the Base Rent payable during the Lease Year prior to the Renewal Term, and (ii) one hundred percent (100%) of the Fair Market Rental (as hereinafter defined). All other terms and conditions of the Lease shall remain the same, except following Tenant's proper exercise of the Renewal Option, Tenant shall have no further options to renew the Term of this Lease.

19.2. If Tenant exercises the Renewal Option, Landlord shall determine the Fair Market Rental by using its good faith judgment. Landlord shall provide Tenant with written notice of such amount within thirty (30) days after Tenant exercises its Renewal Option. Tenant shall have thirty (30) days ("**Tenant's Review Period**") after receipt of Landlord's notice of the Fair Market Rental within which to accept such Fair Market Rental. Notwithstanding the foregoing, at any time within three (3) business days ("**Tenant's Rejection Period**") after Landlord's delivery to Tenant of the Landlord's determination of the Fair Market Rental, Tenant may withdraw in writing its notice exercising the option to extend in which case this Lease shall expire in accordance with the provisions of the Lease, *time hereby being of the essence*. In the event Tenant fails to rescind the exercise of the option to extend within Tenant's Rejection Period, then Tenant's exercise of the Renewal Option shall be in full force and effect and Tenant shall not have any further right to rescind Tenant's exercise. Upon determination of the Base Rent payable pursuant to this Section, the parties shall promptly execute an amendment to this Lease stating the rent so determined. The term "**Fair Market Rental**" shall mean the annual amount per rentable square foot that a willing, comparable tenant would pay and a willing, comparable landlord of a similar first-class life science building in the same geographic area as the Building would accept at arm's length for similar space, giving appropriate consideration to

the following matters: (i) annual rental rates per rentable square foot; (ii) the type of escalation clauses (including, without limitation, operating expenses, and real estate taxes) and the extent of liability under the escalation clauses (i.e., whether determined on a "net lease" basis or otherwise); (iii) rent abatement provisions reflecting free rent and/or no rent during the renewal lease term; (iv) length of renewal lease term; (v) size and location of premises being leased; and (vi) other generally applicable terms and conditions and concessions for tenancy for similar space. The Fair Market Rental may also designate periodic rental increases and similar economic adjustments. The Fair Market Rental shall be the Fair Market Rental in effect as of the beginning of the Renewal Option period, even though the determination may be made in advance of that date, and the parties may use recent trends in rental rates in determining the proper Fair Market Rental as of the beginning of the Renewal Option period.

Section 20. **Notice of Negotiation.** In the event Landlord delivers to an unaffiliated third party a proposal to Lease for any available lab and office (spec) suite space located on the second (2nd) floor of the Building, Landlord shall endeavor to advise Tenant of the same.

Section 21. **Signage.** Landlord shall furnish and install building-standard suite entry signage with Tenant's name and suite number, as well as a listing in the building directory, at Landlord's cost. The design, size, location and materials of such signage shall be in accordance with Landlord's standard building signage package. Any changes in the building standard graphics on the door to the Premises or the building directory following their initial installation shall be subject to Landlord's approval and shall be made at Tenant's sole cost and expense. Tenant shall have the right, at Tenant's sole cost, and subject to all Applicable Law, including applicable zoning requirements, any covenants and restrictions of record, and Landlord's signage and design criteria, including but not limited to, Landlord's approval of the size, location and installation, shall be permitted to place one (1) exterior sign on the Building façade in the location shown on Exhibit "G" attached hereto, provided that: (i) Tenant is leasing and in occupancy of at least a minimum of 15,000 square feet of Rentable Area in the Building; and (ii) no Event of Default of Tenant shall have occurred at any time during the Term of the Lease. Tenant shall not be permitted to place exterior signage on the Building until such time as all of the foregoing conditions have been met. If Tenant is permitted to place exterior signage on the Building pursuant to this provision and thereafter fails to meet the conditions set forth in subparagraphs (i) and (ii) above, Landlord shall have the right to require Tenant to remove its exterior signage at Tenant's sole cost and expense. Tenant will be required to have an annual maintenance contract providing for the ongoing maintenance of such sign. If Tenant fails to comply with the foregoing maintenance or removal requirements of this Section 21, Landlord may, but shall not be obligated to, perform some repairs or removal at Tenant's sole cost (with Tenant reimbursing Landlord for such costs within thirty (30) days following request therefore). The signage rights granted to Tenant in this Paragraph are personal to the original Tenant and may not be assigned by or to any other person or entity (other than a Permitted Transferee). The costs of the Tenant's signage shall be borne by Tenant but may be paid from the Improvement Allowance, as defined in Exhibit "B-1", to the extent available. At no cost to Landlord, Landlord shall provide reasonable cooperation to Tenant and shall sign such commercially reasonable applications or other documents reasonably required in order for Tenant to obtain required approvals from the local jurisdiction for any signs described herein (at no cost to Landlord).

Section 22. **Generator.**

22.1. Landlord agrees to permit Tenant to install, operate, maintain and replace an uninterrupted power source, stationary batteries, electrical facilities, chargers, and/or generators (the "**Generator**") in a location to be determined by Landlord, provided Tenant obtains all necessary approvals, permits and licenses from all Governmental Authorities having jurisdiction over such matters and Tenant's right to install such Generator shall be subject to and

at all times be in compliance with Applicable Law. At no cost to Landlord, Landlord shall reasonably cooperate with Tenant with obtaining all such necessary approvals, permits and licenses including signing such commercially reasonable applications or other documents reasonably required in order for Tenant to obtain required approvals from the local jurisdiction for the Generator. Tenant shall install the Generator in a good and safe manner in accordance with the terms and conditions of the Lease, including without limitation, Sections 5.3 and 17.16 hereof. Prior to installing the Generator, Tenant shall obtain Landlord's prior written consent to Tenant's plans, method of installation, equipment and materials. Tenant shall reimburse Landlord for Landlord's out of pocket costs and expenses incurred in reviewing Tenant's plans for the Generator and for monitoring the installation thereof. At all times the Generator shall be maintained in a good and safe manner and operated in accordance with all provisions of this Lease and all applicable Environmental Laws and, in addition to any other indemnity obligations Tenant may have under this Lease, Tenant hereby agrees to indemnify and hold Landlord harmless against any Claims related to Tenant's installation, maintenance and use of the Generator. Tenant shall provide reasonable notice to Landlord of the time and date upon which it desires to install the Generator. Landlord shall have the right to have a representative present at the installation of the Generator in order to approve the method of installation and performance thereof. The Generator shall be screened in a manner and design acceptable to Landlord in its sole discretion. At the expiration or earlier termination of this Lease, at Landlord's option which must be exercised at least ninety (90) days prior to the expiration of this Lease), the Generator shall be removed from its location at Tenant's sole cost and Tenant shall restore such area to the condition existing prior to such installation, and any damage caused by such removal shall be repaired at Tenant's sole cost. If Landlord has required Tenant to remove the Generator at the expiration or earlier termination of the Term of this Lease and Tenant fails to so remove the Generator within ten (10) days following the termination of this Lease, Tenant hereby authorizes Landlord to remove and dispose of the Generator and charge Tenant for all costs and expenses incurred. Tenant agrees that Landlord shall not be liable for any property disposed of or removed by Landlord. Tenant's obligation to perform and observe this covenant shall survive the expiration or earlier termination of the Lease. Tenant understands that Tenant shall pay all costs associated with the acquisition, installation, use and operation (including all utility costs), maintenance, repair and replacement of, removal and utilities for such Generator.

22.2. Additionally, Landlord shall permit Tenant to connect certain pieces of equipment located in the Premises to the Building's backup generator, provided that the aggregate load of such connected equipment shall not exceed five (5) watts per square foot. Tenant shall pay all costs and expenses related to such connection (including, without limitation, costs incurred to rewire circuits, if required); however, Landlord shall not charge Tenant any rent or access fee for such connection to the Building's backup generator provided Tenant complies with the terms and provisions of this Lease. The costs of operating, maintaining, and repairing the Building's backup generator will be included in Operating Costs. Tenant expressly acknowledges and agrees that Landlord does not warrant or guaranty that such backup generator will be operational at all times or that emergency power will be available to the Premises when needed. Tenant's use of the Building's backup generator shall be at Tenant's sole risk.

Section 23. **Rooftop Equipment**. Landlord hereby agrees that Tenant shall have, subject to the rights of Landlord and of other roof-top users in the Building, non-exclusive access to and use of a portion of the Building roof for Tenant to install, maintain and operate certain equipment in connection with Tenant's operation of its business in the Premises (including appropriate conduit and utilities for the operation thereof)(the "**Rooftop Equipment**"), the location of which shall be selected by Landlord. In the event Tenant wishes to place the Rooftop Equipment on the roof, it shall be (a) screened in a manner and design acceptable to Landlord in its sole discretion, (b) installed and maintained in compliance in all aspects with all Applicable Law, (c) subject to Landlord's approval on use and method of attachment, and (d) at Tenant's sole cost and expense, including all reasonable out-of-pocket third-party consulting and

administrative fees, if any, incurred by Landlord in connection with Tenant's use of the roof. Landlord reserves the right to require Tenant (i) to use Landlord's roofing contractor in connection with any work to be performed on the roof of the Building, and (ii) to relocate the Rooftop Equipment on a temporary or permanent basis consistent with Landlord's reserved rights to use, maintenance, repair, and replacement of the roof. Tenant shall indemnify Landlord against any costs in connection with the voiding of the warranty for the roof if caused by Tenant's use of the roof of the Building as provided herein. Tenant hereby agrees that such right shall be personal to Tenant or a Permitted Transferee only and Tenant's use thereof shall be in connection with Tenant's intended use of the Premises only.

[*Signature Page Follows*]

IN WITNESS WHEREOF, each party hereto has executed and ensealed this Lease or caused it to be executed and ensealed on its behalf by its duly authorized representatives, the day and year first written above.

LANDLORD:

7495 RP, LLC

By:/s/ William C. Robertson
Name:William C. Robertson
Title:Manager

TENANT:

CARTESIAN THERAPEUTICS, INC.

By:/s/ Blaine Davis
Name:Blaine Davis
Title:Chief Financial Officer

EXHIBIT "A"

Premises

[***]

EXHIBIT "B"

Landlord Construction

[***]

EXHIBIT "B-1"

Tenant Construction

[***]

SCHEDULE "B-2"

CONSTRUCTION RULES AND REGULATIONS

[***]

SCHEDULE B-3

FINAL RELEASE AND WAIVER OF LIENS

[***]

AFFIDAVIT

[***]

SCHEDULE A TO AFFIDAVIT

[***]

EXHIBIT "C"

Current Rules and Regulations

[***]

EXHIBIT “D”

[***]

EXHIBIT "E"

Parking Plan

[***]

EXHIBIT "F"

Hazardous Materials Documents

[***]

EXHIBIT "G"

Location of Exterior Sign

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

AMENDMENT NO. 1 TO

LICENSE AND DEVELOPMENT AGREEMENT

This Amendment No. 1 (this "**Amendment No. 1**") to the License and Development Agreement, dated as of June 11, 2020 (the "Agreement"), is entered into as of October 31, 2023 (the "Amendment No. 1 Execution Date"), by and between **SELECTA BIOSCIENCES, INC**., a Delaware corporation having its principal place of business at 65 Grove Street, Watertown, MA 02472 ("Licensor"), and **SWEDISH ORPHAN BIOVITRUM AB (publ)**, a Swedish public company having its principal place of business at SE-112 76 Stockholm, Sweden ("Licensee"). Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Agreement to the extent defined therein.

Whereas, Licensor and Licensee entered into the Agreement, pursuant to which Licensor has granted to Licensee a License to Exploit the Products in the Field in the Territory;

Whereas, Licensor agrees to amend the Agreement to grant Licensee the right to Develop, Manufacture or have Manufactured ImmTOR for the purpose of Exploiting the Products in the Field in the Territory;

Whereas, Licensor and Licensee have agreed to certain asset transfers and transitions relating to the Product in the Field in the Territory; and

Whereas, Licensor and Licensee seek to amend certain other terms of the Agreement pursuant to the terms of this Amendment No. 1.

Now, **Therefore**, in consideration of the foregoing premises, the mutual promises and assurances contained in this Amendment No. 1, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

1. **New Definitions**. Section 1.1 of the Agreement is hereby amended to add the following new definitions:

"Amendment No. 1" has the meaning set forth in the preamble.

"Amendment No. 1 Effective Date" shall mean November 6, 2023.

2. **Amendments to Definitions**.

(a) The definition of "Manufacture" is deleted in its entirety and replaced with the following:

> "Manufacture" and "Manufacturing" shall mean all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping and holding of Product and/or ImmTOR, including process qualification and validation, scale-up, clinical and commercial manufacture, stability testing, quality assurance and quality control."

(b) The definition of "Transferring Agreements" is deleted in its entirety and replaced with the following:

"Transferring Agreements" means the [***] Supply Agreement, the [***] Agreement (as defined in Section 13.2.1), the [***] Agreement (as defined in Section 4.3.1), the [***] Agreement (as defined in Section 13.2.1), the [***] Agreement (as defined in Section 13.2.1) and the Additional ImmTOR Agreements (as defined in Section 13.2.1).

(c) The definitions of "Additional Compound Development Activities", "Additional ImmTOR Development Activities", "Failure to Supply", "Supply Agreement", and "Technology Transfer" are to be deleted in their entirety.

3. **ImmTOR Manufacturing License**. A new Section 2.1.2 is added to the Agreement as follows:

"Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee an Exclusive, royalty-free, sublicensable and assignable (in accordance with Section 19.5) license under all Patents and Know-How Controlled by Licensor or its Affiliates (including the Selecta-Controlled Patents) (i) in existence as of immediately prior to the Effective Date or (ii) arising during the Term (including those comprising New ImmTOR IP and Other Licensor New IP), in each case ((i) and (ii)) solely to Develop, Manufacture or have Manufactured ImmTOR for use in Products in connection with the Exploitation of the Products in the Field in the Territory."

4. **ImmTOR Know-How**. The last sentence in Section 2.4 (Disclosure of Licensed Know- How) is deleted in its entirety.
5. **Reservation of Rights**. Section 2.5 (Reservation of Rights) is deleted in its entirety.

6. **Disbandment of the JSC**.

(a) Article 3 of the Agreement is deleted in its entirety and replaced with the following: "Alliance Management.

3.1. The Parties shall each appoint a single individual who possesses sufficient alliance management experience, is otherwise suitably qualified, and has the requisite decision- making authority to act as such Party's alliance manager ("Alliance Manager") under this Agreement. Each Party may change the person designated as such Party's Alliance Manager upon written notice (including via email notification) to the other Party. The Alliance Managers will be responsible for:

(a) providing a single point of communication for seeking consensus, both internally within the respective Party's organization and between the Parties;

(b) managing Agreement governance and driving timely resolution of issues through informal and formal conflict resolution under this Agreement;

(c) facilitating the Licensed Know-How transfer contemplated under Section 2.4 and any additional transfers by Licensor to Licensee of Licensed Know-How pursuant to Section 2.4;

(d) providing a forum for discussion of updates, at least quarterly, regarding the status of the filing of the BLA for the Product and any material correspondence with the FDA with respect thereto;

(e) reviewing, discussing and determining (by consensus) whether to approve Licensor's right to step-in under Section 9.4.2(c) or 9.4.3(b) to bring an action to abate a Competitive Infringement where Licensee has not; and
(f) providing a forum for the Parties to share information on patent prosecution matters and other intellectual property matters, and to facilitate coordination between the Parties in accordance with Section 9."

(b) All references to the JSC shall be construed as references to the Alliance Managers.

7. **Development**.

(a) Section 4.1.1 shall be deleted in its entirety and replaced with the following:

"Subject to the remainder of this Section 4.1, Licensee shall solely control, assume all responsibility for and fund (including all Development Costs) the Development of the Products in the Field for the Territory."

(b) Sections 4.1.4, 4.2.1, 4.3.2–4.3.7 shall each be deleted in their entirety.

(c) Section 4.3.1 of the Agreement is deleted in its entirety and replaced with the following:

"Conducting Existing Pivotal Trials. The Parties acknowledge that on June 30, 2023 (the "IND Transfer Date") the IND for SEL-212 was transferred to Licensee and, pursuant to an Assignment and Assumption Agreement dated October 16, 2023 (the "[***] Assignment Date"), Licensor's Master Clinical Contract Services Agreement with [***] (the "[***] Agreement") in respect of the conduct of the Existing Pivotal Trials was assigned to Licensee. Consequently, as of the IND Transfer Date, Licensee shall sponsor the Existing Pivotal Trials and, as of the [***] Assignment Date, Licensee shall be solely responsible for conducting any remaining activities with respect to such Existing Pivotal Trials. Licensor shall coordinate with and provide all reasonably requested assistance to Licensee with respect to the transfer of such responsibilities and activities to Licensee."

8. **Completion of Regulatory Transfer**.

(a) Section 8.2.1 is hereby deleted in its entirety and replaced with the following:

"8.2.1 The Parties agree that Licensor has transferred or if not previously transferred will as promptly as reasonably practicable, but in no event later than [***] days following the Amendment No.1 Effective Date, transfer to Licensee (a) all Regulatory Filings and Regulatory Approvals related to SEL-212, (b) all other Regulatory Materials, including copies of all written communications with the FDA and other Regulatory Authorities in the Territory (including for clarity, all eCTD sequences and source documents referenced therein), and (c) the minutes of any meetings with the FDA and any such other Regulatory Authority, in each case of (a), (b) and (c), relating to the Compound and/or SEL-212 and

including all ownership and rights thereto and including all eCTD sequences and source documents referenced therein."

(b) Section 8.2.2 shall be deleted and replaced with "Reserved."

9. **Regulatory Support**. Section 8.4 shall be deleted in its entirety and replaced with the following:

"Without limiting its obligations under this Agreement, as promptly as reasonably practicable, but in no event later than [***] days following the Effective Date or at Licensee's request, Licensor shall (and shall ensure that its Affiliates and (sub)licensees) give Licensee the right to use and reference all Development work product, Regulatory Materials, Regulatory Filings and Regulatory Approvals (including all data and information referenced therein) to the extent: (i) Controlled by Licensor or its Affiliates or its (sub)licensees during the Term; and (ii) related to the Compound or ImmTOR for use solely by and for the benefit of Licensee and its Affiliates and Sublicensees in connection with the Exploitation of the Products, at no cost to Licensee and provided that Licensor may redact any information or data not related to the Product. Notwithstanding the foregoing, neither Licensee nor any of its Affiliates shall give access or other rights with respect to such Development work product, Regulatory Materials, Regulatory Filings and Regulatory Approvals (including all data and information referenced therein) to any of their Sublicensees, unless Licensee's Sublicense with such Sublicensee permits Licensee the right to provide equivalent rights to Licensor to those set out in Section 8.5 in respect of such Sublicensee's Development work product, Regulatory Materials, Regulatory Filings and Regulatory Approvals (including all data and information referenced therein)."

10. **Adverse Event Reporting Obligation.** Section 8.6 of the Agreement is hereby deleted in its entirety and replaced with the following:

"8.6 Adverse Event Reporting. Each Party shall comply with applicable law with regard to the reporting of Adverse Events related to ImmTOR or the Product (to the extent relevant to ImmTOR). The Parties will review the Safety Agreement in good faith within [***] days after the Amendment No.1 Effective Date and determine if and when to terminate or modify such agreement to account for the transfer of responsibilities set forth in Amendment No. 1."

11. **Clinical Sample Storage.** A new Section 8.10 is added to the Agreement as follows:

"Clinical Sample Storage. Licensee shall notify Licensor within [***] days following the Amendment No. 1 Effective Date, if Licensee does not want to take ownership of all clinical samples of Product held by or on behalf of Licensor as of the Amendment No. 1 Effective Date (the "**Clinical Samples**"). If Licensee notifies Licensor that it does not want to take ownership of the Clinical Samples, Licensor shall have no further obligation to store such Clinical Samples. If Licensee, at any time within such [***]-day period following the Amendment No. 1 Effective Date, notifies Licensor that it wishes to take ownership and possession of such Clinical Samples, Licensor will transfer such Clinical Samples and all associated GxP documentation and inventory logs to Licensee or Licensee's nominated Third Party storage provider as soon as reasonably practicable and within [***] days of such notification, at Licensee's expense. In any event, Licensor will store the Clinical Samples until the earlier of (i) Licensee's notification that it does not want to receive such Clinical Samples and (ii) the date on which such Clinical Samples are, at Licensee's request, transferred to Licensee or Licensee's nominated Third Party storage provider, provided that Licensee shall reimburse Licensor for Licensor's reasonably incurred and

documented cost of storing the Clinical Samples from the Amendment No. 1 Effective Date until such notification or transfer."

12. **Infringement or Misappropriation of a Selecta-Controlled Patent, a New ImmTOR Patent or an Other Licensor New IP Patent.**

Sections 9.4.3 is hereby deleted in its entirety and replaced with the following: "9.4.3

(a) As between the Parties, Licensee shall have the initial right (but not the obligation) to bring or control, at its own expense, any enforcement action to abate any actual or alleged Competitive Infringement of a [***], including as a defense or counterclaim in connection with any Third Party Infringement Claim. Licensee shall keep Licensor reasonably informed of Licensee's strategy for such enforcement action, including furnishing to Licensor, via electronic mail or such other method as mutually agreed by the Parties, copies of proposed filings and material documents received from counsel in the course of such enforcement action, and copies of material documents filed with or received from the relevant court or material communications with other party to such enforcement action, and such other material documents related to such enforcement action in sufficient time prior to filing such document or sending such document to the other party to allow for review and comment by Licensor. Licensee shall consider in good faith the reasonable comments of Licensor with respect to such enforcement action received no later than [***] Business Days prior to any filing deadline. Licensor shall (and shall ensure that its Affiliates) reasonably cooperate, and Licensor shall use Commercially Reasonable Efforts to ensure that its licensors cooperate, in any such enforcement action, including being joined as a party to such enforcement action if reasonably necessary to establish or maintain standing and making its employees reasonably available, [***]. If Licensor is so joined, then, in the absence of any conflict of interest, the Parties shall use Commercially Reasonable Efforts to utilize the same legal counsel.

(b) In the event that Licensee does not, in accordance with Section 9.4.3(a), file an enforcement action against or commence and conclude settlement negotiations with the Third Party responsible for a Competitive Infringement of a [***] within [***] days of receipt of a written demand from Licensor that Licensee bring such an enforcement action, or within [***] days of either Party's receipt of a notice that an applicant is seeking licensure pursuant to the Hatch Waxman Act, then Licensor shall have the right to submit the matter to the Alliance Managers for the Alliance Managers to determine whether a reasonably prudent licensee would bring an action to enforce [***], as applicable in question, in light of [***]

[***]

(c) As between the Parties, Licensor shall have the sole right (but not the obligation) to bring or control, at its own expense, any enforcement action to abate any actual or alleged Competitive Infringement of a [***] other than as set out in Section 9.4.3."

13. **Transferring Personnel Obligations**. The Parties acknowledge that in and around the Amendment No. 1 Effective Date and in connection with the matters contemplated by this Amendment No. 1, certain employees of Licensor shall transfer to Licensee in accordance with the terms of a separate side letter executed by the Parties. Licensor shall ensure that such employees have continued access to Licensor's systems and emails to which such employees previously had access for a duration of [***] days following the Amendment No. 1 Effective Date, so that such employees can download and transfer to Licensee's systems any Licensed Know-How, including Know-How related to the Manufacture of ImmTOR contemplated to transfer under the Agreement or this Amendment No. 1, subject to such employees complying with any security and confidentiality protocols reasonably requested by Licensee. Following the expiry of such [***] day access period, to the extent any such Licensed Know-How has not been transferred to Licensee, Licensor shall not destroy any such Licensed Know-How until all such Licensed Know-How has been effectively transferred to Licensee in accordance with the Agreement.

14. **Lab Space**.

(a) Licensor has, pursuant to a License and Services Agreement executed on or around the Amendment No. 1 Execution Date (the "**Access Agreement**") granted Licensee certain rights in relation to premises occupied by Licensor which Access Agreement shall be effective only if Licensor's landlord has granted consent to Licensee's use of the premises in accordance with the terms of the Access Agreement. Licensor shall use reasonable efforts to obtain such consent for Licensee's use of the laboratory in accordance with the terms of the Access Agreement.

(b) Licensor represents, warrants and certifies to Licensee that Licensor's activities, equipment and materials in the Building and in particular Suite [***] and [***] (as defined in the Access Agreement) (altogether, the "**Lab**") comply with the requests in the Prime Lease (as defined in the Access Agreement).

(c) Until the earlier of (i) the landlord granting consent to Licensee's use of the Lab under the terms of the Access Agreement; and (ii) [***], Licensor shall make available the Lab for use by certain Licensee employees, as determined by Licensee in its sole discretion, and Licensor shall agree to such arrangement, so

that Licensor has sufficient personnel at the Lab to provide development services to Licensee of the type and scope as conducted by Licensor at the Lab prior to the Amendment No. 1 Effective Date. The foregoing access shall be provided [***] unless and until the landlord refuses consent to Licensee's use of the Lab and thereafter shall be reimbursed by Licensee, for so long as Licensee is using such Lab, at a monthly cost of USD [***]. Licensor and Licensee shall cooperate in good faith and execute any documents and take such actions as are reasonably necessary to give effect to the arrangements described in this paragraph 14(c).

(d) If, either the landlord refuses consent to Licensee's use of the Lab under the terms of the Access Agreement or such consent has not been obtained by [***], Licensor and Licensee shall cooperate in good faith and Licensor shall provide such assistance as is reasonably requested by Licensee to transfer the relevant activities to an alternative laboratory selected by Licensee and ensure such alternative laboratory is operational as soon as reasonably practicable.

15. **ImmTOR Manufacturing Rights and Obligations**.

(a) Section 13.1 is hereby deleted in its entirety and replaced with the following:

"13.1.1 The Parties agree that, as of the Amendment No. 1 Effective Date, Licensee shall be solely responsible for any Manufacture and supply of ImmTOR or Products needed by Licensee. Licensor shall have no further obligations to Licensee with respect to the Manufacture and supply of quantities of Product.

13.1.2 Ownership of any inventory of ImmTOR manufactured for use in SEL-212 and any reagents, reference standards, custom-specific components and/or raw materials ("**Inventory**") held by Licensor or Licensor's third party suppliers that exists as of the Amendment No. 1 Effective Date shall be transferred to Licensee, as soon as reasonably practicable following the Amendment No.1 Effective Date. The Parties acknowledge that the existing inventory of ImmTOR has been quality released prior to the Amendment No. 1 Effective Date and will be transferred to Licensee in accordance with the foregoing sentence. Any other items within the Inventory shall be quality released by Licensor prior to transfer to Licensee and in any event no later than [***]. To the extent not previously paid, Licensee shall pay for such Inventory upon receipt of an invoice therefor. The price for any such quality released Inventory shall [***].

16. **Supply Arrangements**. Section 13.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"13.2.1 ImmTOR Agreements. The Parties acknowledge that Licensor has assigned to Licensee, and Licensee has accepted, Licensor's right, title and interest in: (a) the Development and Manufacturing Services Agreement between Licensor and [***] (the "[***] Agreement"); (b) the Master Contract Services Agreement between Licensor and [***] (the "[***] Agreement"); and (c) the Master GMP Services Agreement between Licensor and [***] (the "[***] Agreement"), in each case pursuant to the applicable assignment and assumption agreement. In addition, Licensee may identify by written notice to Licensor additional agreements between Licensor and its vendors (including contract manufacturing organizations and contract laboratory organizations) related

solely to the Development or Manufacture of ImmTOR for use with SEL-212 which Licensee wishes to be assigned to Licensee (the "Additional ImmTOR Agreements"). On Licensee's request, Licensor shall cooperate in good faith with Licensee and use reasonable efforts to transfer and assign such Additional ImmTOR Agreements to Licensee. For the avoidance of doubt, any amounts payable by Licensee under such assignment and assumption agreements in respect of costs incurred under the applicable Transferring Agreement shall not be separately reimbursable under any provision of this Agreement.

13.2.2 ImmTOR Manufacturing Know-How. Without prejudice to Section 2.4 and save to the extent Licensee already has such information, Licensor shall promptly (subject to the final sentence in this Section 13.2.2) and in any event within [***] days transfer to Licensee and/or any of Licensee's Sublicensees or subcontractors and provide all reasonable assistance to Licensee and/or any of Licensee's Sublicensees or subcontractors with respect to all Licensed Know-How related to the manufacture of ImmTOR, [***]; all data and information related to CMC Activities conducted with respect to ImmTOR; copies of all Development data and reports and summaries related to ImmTOR; and copies of all documents related to Development, qualification and/or technical transfer received from a Third Party manufacturer and/or a third party laboratory of ImmTOR. Notwithstanding the foregoing, Licensor's obligations under this Section 13.2.2 shall apply only to the extent Licensor and/or its personnel immediately following the Amendment No. 1 Effective Date possess such Licensed Know-How. With respect to the foregoing transfer, Licensee shall prioritize the transfer of Licensed Know-How in the following order: [***].

13.2.3 Supply Agreement. Within [***] days after the Amendment No. 1 Effective Date, the Parties shall enter a supply agreement ("ImmTOR Supply Agreement") (and quality agreement) pursuant to which, provided the Product has received Regulatory Approval, Licensee shall supply up to [***] per year for a period of [***] years of ImmTOR to Licensor or its designee (subject to an appropriate lead time of not less than [***] months) in order to make products (other than Products for use in the Field) for clinical use containing or constituting ImmTOR on reasonable terms. The ImmTOR Supply Agreement shall be consistent with the [***] Agreement and any other agreement between Licensee and a Third Party contract manufacturer for ImmTOR. [***] The cost of each batch supplied by Licensee under the ImmTOR Supply Agreement shall be [***]."

(b) Section 13.3 (Supply Price) and Section 13.4 (Second Source Supplier; Technology Transfer) shall each be deleted in its entirety.

17. **Indemnification Obligation**. Sections 14.1 and 14.2 of the Agreement are hereby deleted in their entirety and replaced with the following:

"14.1 Indemnification by Licensor. Licensor shall indemnify, defend and hold harmless Licensee and its Affiliates, Sublicensees and each of their respective employees, officers, directors and

agents (each a "Licensee Indemnitee") from and against any and all liabilities, losses and damages ("Losses") that result from any Claim made or brought against a Licensee Indemnitee by or on behalf of such Third Party, and any direct out-of-pocket costs and expenses (including reasonable attorneys' fees) ("Litigation Costs") incurred by a Licensee Indemnitee while investigating or conducting the defense of such Third Party Claim, in either case, solely to the extent such Claim is based on or arises out of:

14.1.1 the breach by Licensor of any representation, warranty or covenant contained in this Agreement;

14.1.2 the gross negligence or willful misconduct by any of the Licensor Indemnitees in the performance of Licensor's obligations under this Agreement;

14.1.3 the Exploitation by or on behalf of Licensor, its Affiliates or licensees of the Compound or the Product prior to the Effective Date;

14.1.4 the Exploitation by or on behalf of Licensor, its Affiliates or its licensees of ImmTOR (other than as comprising the Product) prior to the Effective Date or during the Term;

14.1.5 the Exploitation by or on behalf of Licensor, its Affiliates or licensees of the Product following the Term and the use of the Reversion Technology in connection with the same; or

14.1.6 any of the Additional ImmTOR Agreements prior to the date of assignment of such Additional ImmTOR Agreements to Licensee;

provided, however, that in the case of Sections 14.1.1 to 14.1.6 (inclusive), such indemnification right shall not apply to any Claims, Losses or Litigation Costs (a) to the extent directly attributable to the gross negligence or willful misconduct of a Licensee Indemnitee or Licensee's breach of this Agreement, or (b) for which Licensee is obligated to indemnify Licensor under Section 14.2.

14.2 Indemnification by Licensee. Licensee shall indemnify, defend and hold harmless Licensor and its Affiliates and each of their respective employees, officers, directors and agents (each a "Licensor Indemnitee") from and against any and all Losses that result from any Claim made or brought against a Licensor Indemnitee by or on behalf of such Third Party, and any Litigation Costs incurred by a Licensor Indemnitee while investigating or conducting the defense of such Third Party Claim, in either case, solely to the extent such Claim is based on or arises out of:

14.2.1 the breach by Licensee of any representation, warranty or covenant contained in this Agreement;

14.2.2 the gross negligence or willful misconduct by any of the Licensee Indemnitees in the performance of Licensee's obligations under this Agreement;

14.2.3 the Exploitation by or on behalf of Licensee, its Affiliates or its Sublicensees of the Product in the Field in the Territory during the Term; or

14.2.4 any of the Additional ImmTOR Agreements on and after the date of assignment of such Additional ImmTOR Agreements to Licensee;

provided, however, that in the case of Sections 14.2.1 to 14.2.4 (inclusive), such indemnification right shall not apply to any Claims, Losses or Litigation Costs (a) to the extent directly attributable

to the gross negligence or willful misconduct of a Licensor Indemnitee or Licensor's breach of this Agreement, or (b) for which Licensor is obligated to indemnify Licensor under Section 14.1."

18. For clarity, any indemnification obligations set out in the applicable assignment and assumption agreement for any Transferring Agreement shall be without prejudice to the indemnification obligations and rights of any Party under Sections 14.1 or 14.2 of the Agreement.

19. **Return of Transferring Agreements**. Section 16.6.10 of the Agreement is hereby deleted in its entirety and replaced with the following:

"16.6.10 Return of Transferring Agreements. Promptly following the effective date of such termination, at the election of Licensor, Licensee shall grant, transfer, convey, assign and deliver all remaining rights, benefits, title, interests, duties and obligations (if any) under any of the Transferring Agreements that remain in force at such date to Licensor; provided that Licensee will retain all rights, benefits, title, interests, duties and obligations under such contracts arising prior to the date of such assignment, and Licensor will accept all rights, benefits, title, interests, duties and obligations under such contracts arising on or after the date of such assignment."

20. **Entire Agreement**:

This Amendment No. 1, together with the Agreement (including the Appendices thereto) and the Side Letter executed by the Parties on February 16, 2023, sets forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings between the Parties existing as of the Amendment No. 1 Execution Date with respect to the subject matter hereof and thereof. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties other than as are set forth herein and therein. No subsequent alteration, amendment, change or addition to this Amendment No. 1 shall be binding upon the Parties unless reduced to writing and signed by an authorized representative of each Party. Except as specifically amended by this Amendment No. 1, the terms and conditions of the Agreement shall remain in full force and effect and nothing in this Amendment No. 1 shall affect any rights or remedies which have accrued prior to the Amendment No. 1 Execution Date. This Amendment No. 1 may be executed by facsimile (including a PDF image delivered via e-mail) or electronically transmitted signatures and such signatures shall be deemed to bind each Party hereto as if they were original signatures.

Sections 17.1 (Governing Law), 19.1 (No Benefit to Third Parties), 19.3 (Unenforceability), 19.10 (Headings), 19.12 (Costs and Expenses), 19.13 (Further Assurance) and 19.15 (Counterparts) of the Agreement shall apply *mutatis mutandis* to this Amendment No. 1.

[Signature page follows**]**

IN WITNESS WHEREOF, the Parties hereto have executed this AMENDMENT NO.1 by their duly authorized officers as of the Amendment No. 1 Execution Date.

SELECTA BIOSCIENCES INC.

By: /s/ Carsten Brunn, Ph.D.
Name: Carsten Brunn, Ph.D.
Title: President and Chief Executive Officer

SWEDISH ORPHAN BIOVITRUM AB (PUBL)

By: /s/ Guido Oelkers Name: Guido Oelkers
Title: Chief Executive Officer

By: /s/ Torbjörn Hallberg Name: Torbjörn Hallberg
Title: General Counsel & Head of Legal Affairs

Exhibit 10.16

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

PUBLIC HEALTH SERVICE

PATENT LICENSE-NON-EXCLUSIVE

This **Agreement** is based on the model Patent License Non-exclusive Agreement adopted by the U.S. Public Health Service **("PHS")** Technology Transfer Policy Board for use by components of the National Institutes of Health **("NIH"),** the Centers for Disease Control and Prevention **("CDC"),** and the Food and Drug Administration ("FDA"), which are agencies of the **PHS** within the Department of Health and Human Services **("HHS").**

This Cover Page identifies the Parties to this **Agreement:**

The U.S. Department of Health and Human Services, as represented by The National Cancer Institute
an Institute or Center (hereinafter referred to as the **"IC")** of the

NIH

and

Cartesian Therapeutics, Inc., hereinafter referred to as the **"Licensee",**
having offices at 704 Quince Orchard Road Suite 210A, Gaithersburg, MD 20878 created and operating under the laws of
Delaware
Tax ID No.: [***]

For the **IC** internal use only:

License Number: L-239-2019-0

License Application Number: A-277-2019

Serial Number(s) of Licensed Patent(s) or Patent Application(s):

[***]

Licensee: Cartesian Therapeutics, Inc.

Cooperative Research and Development Agreement (CRADA) Number (if a subject invention): None

Public Benefit(s): Most therapeutic options for autoimmune disease require the employment of immunosuppressants or corticosteroids, which can have sever side effects. The development of alternative approaches to treating these diseases can greatly benefit patient quality of life.

This Patent License Agreement, hereinafter referred to as the **"Agreement",** consists of this Cover Page, an attached **Agreement,** a Signature Page, Appendix A (List of Patent(s) or Patent Application(s)), Appendix B (Fields of Use and Territory), Appendix C (Royalties), Appendix D ((Benchmarks and Performance), Appendix E (Commercial Development Plan), Appendix F (Example Royalty Report), and Appendix G (Royalty Payment Options).

The **IC** and the **Licensee** agree as follows:

1. BACKGROUND

1.1 In the course of conducting biomedical and behavioral research, the **IC** investigators made inventions that may have commercial applicability.

1.2 By assignment of rights from the **IC** employees and other inventors, **HHS,** on behalf of the **Government,** owns intellectual property rights claimed in any United States or foreign patent applications or patents corresponding to the assigned inventions. **HHS** also owns any tangible embodiments of these inventions actually reduced to practice by the **IC.**

1.3 The Secretary of **HHS** has delegated to the **IC** the authority to enter into this **Agreement** for the licensing ofrights to these inventions under 35 U.S.C. §§200-212, the Federal Technology Transfer Act of 1986, 15 U.S.C. §3710(a), and the regulations governing the licensing of Government-owned inventions, 37 C.F.R. Part 404.

1.4 The **IC** desires to transfer these inventions to the private sector through commercialization licenses to facilitate the commercial development of products and processes for public use and benefit.

1.5 The **Licensee** desires to acquire commercialization rights to certain of these inventions in order to develop processes, methods, or marketable products for public use and benefit.

1.6 The **IC** and **Licensee** have previously executed a license agreement identified as L-231-2015/0 and dated on or about September 10, 2015 (the **"Prior Agreement").**

2. DEFINITIONS

2.1 **"Affiliate(s)"** means a corporation or other business entity, which directly or indirectly is controlled by or controls, or is under common control with the **Licensee.** For this purpose, the term "control" shall mean ownership of more than fifty percent (50%) of the voting stock or other ownership interest of the corporation or other business entity, or the power to elect or appoint more than fifty percent (50%) of the members of the governing body of the corporation or other business entity.

2.2 **"Benchmarks"** mean the performance milestones that are set forth in Appendix D.

2.3 **"Commercial Development Plan"** means the written commercialization plan attached as Appendix E.

2.4 **"Fair Market Value"** means the total amount or value expressed in U.S. dollars obtained by the **Licensee** through the transfer or sale of its assets.

2.5 **"First Commercial Sale"** means the initial transfer by or on behalf of the **Licensee** of **Licensed Products** or the initial practice of a **Licensed Process** by or on behalf of the **Licensee** in exchange for cash or some equivalent to which value can be assigned for the purpose of detennining **Net Sales.**

2.6 **"FDA"** means the Food and Drug Administration.

2.7 **"Government"** means the Government of the United States of America.

2.8 **"Licensed Fields of Use"** means the fields of use identified in Appendix B.

2.9 **"Licensed Patent Rights"** shall mean:

(a) Patent applications (including provisional patent applications and PCT patent applications) or patents listed in Appendix A, all divisions and continuations of these applications, all patents issuing from these applications, divisions, and continuations, and any reissues, reexaminations, and extensions of all these patents;

(b) to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 2.9(a):

(i) continuations-in-part of2.9(a);

(ii) all divisions and continuations of these continuations-in-part;

(iii) all patents issuing from these continuations-in-part, divisions, and continuations;

(iv) priority patent application(s) of2.9(a); and

(v) any reissues, reexaminations, and extensions of all these patents;

(c) to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 2.9(a): all counterpart foreign and U.S. patent applications and patents to 2.9(a) and 2.9(b), including those listed in Appendix A; and

(d) **Licensed Patent Rights** shall *not* include 2.9(b) or 2.9(c) to the extent that they contain one or more claims directed to new matter which is not the subject matter disclosed in 2.9(a).

2.10 **"Licensed Processes"** means processes in the **Licensed Fields of Use,** which in the course of being practiced, would be within the scope of one or more claims of the **Licensed Patent Rights** that have not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

2.11 **"Licensed Products"** means tangible materials in the **Licensed Fields of Use,** which in the course of manufacture, use, sale, or importation, would be within the scope of one or more claims of the **Licensed Patent Rights** that have not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

2.12 **"Licensed Territory"** means the geographical area identified in Appendix B.

2.13 **"Liquidity Event"** means (i) a firmly underwritten initial public offering and sale of the **Licensee's** common stock pursuant to an effective registration statement under the Securities Act of 1933, as amended; (ii) a consolidation or merger of the **Licensee** with or into any other corporation or other entity or person, or any other corporate reorganization, in which the stockholders of the **Licensee** prior to such consolidation, merger or reorganization, receive, in consideration for such consolidation, merger or reorganization, cash (including promissory notes) or securities then listed upon a national exchange or quotation system (e.g., the New York Stock Exchange or NASDAQ) or (iii) the sale, lease or other disposition of all or substantially all of the assets of the **Licensee** in consideration for cash (including promissory notes) or securities then listed upon such a national exchange or quotation system.

2.14 **"mRNA"** means messenger ribonucleic acids, which can optionally include (a) modification by addition of a five prime (5') cap, (b) a three prime (3') tail, (c) one or more unnatural or artificial nucleotide analogs, or (d) one or more non-nucleotide moieties, or any combination thereof. For purposes of clarity, under no circumstance shall **mRNA** !include a polydeoxyribonucleotide.

2.15 **"Net Sales"** [***]

2.16 **"Practical Application"** means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and in each case, under these conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or **Government** regulations available to the public on reasonable terms.

2.17 **"Prior Agreement"** has the definition provided in Section 1.6 above.

3. GRANT OF RIGHTS

3.1 The **IC** hereby grants and the **Licensee** accepts, subject to the terms and conditions of this **Agreement,** a nonexclusive license under the **Licensed Patent Rights** in the **Licensed Territory** to make and have made, to use and have used, to sell and have sold, to offer to sell, and to import any **Licensed Products** in the **Licensed Fields of Use** and to practice and have practiced any **Licensed Processes** in the **Licensed Fields of Use.**

3.2 This **Agreement** confers no license or rights by implication, estoppel, or otherwise under any patent applications or patents of the **IC** other than the **Licensed Patent Rights** regardless of whether these patents are dominant or subordinate to the **Licensed Patent Rights.**

4. SUBLICENSING

4.1 The **Licensee** has no right to sublicense.

5. STATUTORY AND NIH REQUIREMENTS AND RESERVED GOVERNMENT RIGHTS

5.1 Prior to the **First Commercial Sale,** and unless prohibited by law, upon specific written request by the **IC,** the **Licensee** agrees to provide the **IC** with commercially reasonable quantities of **Licensed Products** made through the **Licensed Processes** and in **Licensee's** possession for **IC** in vitro research use provided that the **IC:**

(a) shall not reverse engineer such product,

(b) shall not use the product for any commercial purpose,

(c) shall not release any of the product outside its physical custody, and

(d) shall treat the material as if it were confidential material ofIC.

5.2 The **Licensee** agrees that **products** used or sold in the United States embodying **Licensed Products** or produced through use of **Licensed Processes** shall be manufactured substantially in the United States, unless a written waiver is obtained in advance from the **IC.**

6. ROYALTIES AND REIMBURSEMENT

6.1 The **Licensee** agrees to pay the **IC** a noncreditable, nonrefundable license issue royalty as set forth in Appendix C.

6.2 The **Licensee** agrees to pay the **IC** a minimum annual royalty as set forth in Appendix C.

6.3 The **Licensee** agrees to pay the **IC** earned royalties as set forth in Appendix C.

6.4 The **Licensee** agrees to pay the **IC** benchmark royalties as set forth in Appendix C.

6.5 A patent or patent application licensed under this **Agreement** shall cease to fall within the **Licensed Patent Rights** for the purpose of computing earned royalty payments in any given country on the earliest of the dates that:

(a) the application has been abandoned and not continued;

(b) the patent expires or irrevocably lapses; or

(c) the patent has been held to be invalid or unenforceable by an unappealed or unappealable decision of a court of competent jurisdiction or administrative agency.

6.6 No multiple royalties shall be payable because any **Licensed Products** or **Licensed Processes** are covered by more than one of the **Licensed Patent Rights** under this **Agreement,** or under a combination of this **Agreement** and the **Prior Agreement.**

6.7 On sales of **Licensed Products** by the **Licensee** made in other than an arms-length transaction, the value of the **Net Sales** attributed under this Article 6 to this transaction shall be that which would have been received in an arms-length transaction, based on sales of like quantity and quality products on or about the time of this transaction.

6.8 With regard to unreimbursed expenses associated with the preparation, filing, prosecution, and maintenance of all patent applications and patents included within the **Licensed Patent Rights** and paid by the **IC** prior to the effective date of this **Agreement,** subject to the limitation of Paragraph 6.10, the **Licensee** shall pay the **IC,** as an additional royalty, within [***] days of the **IC's** submission of a statement and request for payment to the **Licensee,** an amount equivalent to [***] of the unreimbursed patent expenses previously paid by the **IC.**

6.9 With regard to unreimbursed expenses associated with the preparation, filing, prosecution, and maintenance of all patent applications and patents included within the **Licensed Patent Rights** and paid by the **IC** on or after the effective date of this **Agreement,** subject to the limitation of Paragraph 6.10, the **IC,** at its sole option, may require the **Licensee:**

(a) to pay the **IC** on an [***] basis, within [***] days of the **IC's** submission of a statement and request for payment, a royalty amount equivalent to [***] of these unreimbursed expenses paid during the previous calendar year(s) and not already counted as unreimbursed patent expenses under Paragraph 6.8;

(b) to pay [***] of these unreimbursed expenses ([***]) directly to the law firm employed by the **IC** to handle these functions, unless such payment would be prohibited by law. However, in this event, the **IC** and not the **Licensee** shall be the client of the law firm; or

(c) under exceptional circumstances and with **Licensee's** consent, the **Licensee** may be given the right to assume responsibility for the preparation, filing, prosecution, or maintenance of any patent application or patent included with the **Licensed Patent Rights.** In that event, the **Licensee** shall directly pay the attorneys or agents engaged to prepare, file, prosecute, or maintain these patent applications or patents and shall provide the **IC** with copies of each invoice associated with these services as well as documentation that these invoices have been paid.

6.10 The aggregate sum payable under Paragraphs 6.8 and 6.9 in any one calendar year shall not exceed [***], the remainder to be carried forward to the next calendar year(s) until the amount due is paid in full.

6.11 The **IC** agrees, upon written request, to provide the **Licensee** with summaries of patent prosecution invoices for which the **IC** has requested payment from the **Licensee** under Paragraphs 6.8 and 6.9. The **Licensee** agrees that all information provided by the **IC** related to patent prosecution costs shall be treated as confidential commercial information and shall not be released to a third party except as required by law or a court of competent jurisdiction.

6.12 The **Licensee** may elect to surrender its rights in any country of the **Licensed Territory** under any of the **Licensed Patent Rights** upon [***] days written notice to the **IC** and owe no payment obligation under Paragraph 6.9 for patent-related expenses paid in that country after the effective date of the written notice.

7. PATENT FILING, PROSECUTION, AND MAINTENANCE

7.1 The **IC** agrees to take responsibility for the preparation, filing, prosecution, and maintenance of any and all patent applications or patents included in the **Licensed Patent Rights.**

8. RECORD KEEPING

8.1 The **Licensee** agrees to keep accurate and correct records of **Licensed Products** made, used, sold, or imported and **Licensed Processes** practiced under this **Agreement** appropriate to determine the amount ofroyalties due the **IC.** These records shall be retained for at least [***] years following a given reporting period and shall be available during normal business hours for inspection, at the expense of the **IC,** by an accountant or other designated auditor selected by the **IC** for the sole purpose of verifying reports and royalty payments hereunder. The accountant or auditor shall only disclose to the **IC** information relating to the accuracy of reports and royalty payments made under this **Agreement.** If an inspection shows an underreporting or underpayment in excess of [***] for any calendar year, then the **Licensee** shall reimburse the **IC** for the cost of the inspection at the time the **Licensee** pays the unreported royalties, including any additional royalties as required by Paragraph 9.7. All royalty payments required under this Paragraph shall be due within [***] days of the date the **IC** provides the **Licensee** notice of the payment due.

9. REPORTS ON PROGRESS, BENCHMARKS, SALES, AND PAYMENTS

9.1 Prior to signing this **Agreement,** the **Licensee** has provided the **IC** with the **Commercial Development Plan** in Appendix E, under which the **Licensee** intends to bring the subject matter of the **Licensed Patent Rights** to the point of **Practical Application.** This **Commercial Development Plan** is hereby incorporated by reference into this **Agreement.** Based on this plan, performance **Benchmarks** are determined as specified in Appendix D.

9.2 The **Licensee** shall provide written annual reports on its product development progress or efforts to commercialize under the **Commercial Development Plan** for each of the **Licensed Fields of** Use within [***] days after [***] of each calendar year. These progress reports shall include, but not be limited to: [***]. The **IC** also encourages these reports to include information on any of the **Licensee's** [***] that relate to the **Licensed Patent Rights.** If reported progress differs from that projected in the **Commercial Development Plan** and **Benchmarks,** the **Licensee** shall explain the reasons for such differences. In any annual report, the **Licensee** may propose amendments to the **Commercial Development Plan,** acceptance of which by the **IC** may not be denied unreasonably. The **Licensee** agrees to provide any additional information reasonably required by the **IC** to evaluate the **Licensee's** perfonnance under this **Agreement.** The **Licensee** may amend the **Benchmarks** at any time upon written approval by the **IC.** The **IC** shall not unreasonably withhold approval of any request of the **Licensee** to extend the time periods of this schedule if the request is supported by a reasonable showing by the **Licensee** of diligence in its performance under the **Commercial Development Plan** and toward bringing the **Licensed Products** to the point of **Practical Application.**

9.3 The **Licensee** shall report to the **IC** the dates for achieving **Benchmarks** specified in Appendix D and the **First Commercial Sale** in each country in the **Licensed Territory** within [***] days of such occurrences.

9.4 The **Licensee** shall submit to the **IC,** within [***] days after each calendar half-year ending [***] and [***], a royalty report, as described in the example in Appendix F, [***]. With each royalty report, the **Licensee** shall submit payment of earned royalties due. If no earned royalties are due to the **IC** for any reporting period, the written report shall so state. The royalty report shall be certified as correct by an authorized officer of the **Licensee** and shall include [***] to determine royalties due.

9.5 Royalties due under Article 6 shall be paid in U.S. dollars and payment options are listed in Appendix G. For conversion of foreign currency to U.S. dollars, the conversion rate shall be the New York foreign exchange rate quoted in *The Wall Street Journal* on the day that the payment is
due, and any loss of exchange, value, taxes, or other expenses incurred in the transfer or conversion to U.S. dollars shall be paid entirely by the **Licensee.** The royalty report required by Paragraph 9.4 shall be mailed to the **IC** at its address for **Agreement** Notices indicated on the Signature Page.

9.6 The **Licensee** shall be solely responsible for determining if any tax on royalty income is owed outside the United States and shall pay this tax and be responsible for all filings with appropriate agencies of foreign governments.

9.7 Additional royalties may be assessed by the **IC** on any payment that is more than [***] days overdue at the rate of [***] of the overdue amount per month. This [***] per month rate may be applied retroactively from the original due date until the date of receipt by the **IC** of the overdue payment and additional royalties. The payment of any additional royalties shall not prevent the **IC** from exercising any other rights it may have as a consequence of the lateness of any payment.

9.8 All plans and reports required by this Article 9 and marked "confidential" by the **Licensee** shall, to the extent permitted by law, be treated by the **IC** as commercial and financial information obtained from a person and as privileged and confidential, and any proposed disclosure of these records by the **IC** under the Freedom of Information Act (FOIA), 5 U.S.C. §552 shall be subject to the predisclosure notification requirements of 45 C.F.R. §5.65(d).

10. PERFORMANCE

10.1 The **Licensee** shall use its reasonable commercial efforts to bring the **Licensed Products** and **Licensed Processes** to **Practical Application.** "Reasonable commercial efforts" for the purposes of this provision shall include adherence to the **Commercial Development Plan** in Appendix E and performance of the **Benchmarks** in Appendix D.

10.2 Upon the **First Commercial Sale,** until the expiration or termination of this **Agreement,** the **Licensee** shall use its reasonable commercial efforts to make **Licensed Products** and **Licensed Processes** reasonably accessible to the United States public.

10.3 The **Licensee** agrees, after its **First Commercial Sale,** to make reasonable quantities of **Licensed Products** or materials produced through the use of **Licensed Processes** available to patient assistance programs.

10.4 The **Licensee** agrees, after its **First Commercial Sale** and as part of its marketing and product promotion, to develop educational materials (e.g., brochures, website, etc.) directed to patients and physicians detailing the **Licensed Products** or medical aspects of the prophylactic and therapeutic uses of the **Licensed Products.**

10.5 The **Licensee** agrees to supply, to the Mailing Address for **Agreement** Notices indicated on the Signature Page, the Office of Technology Transfer, the **NIH** with inert samples of the **Licensed Products** or **Licensed Processes** or their packaging for educational and display purposes only.

11. INFRINGEMENT AND PATENT ENFORCEMENT

11.1 The **IC** and the **Licensee** agree to notify each other promptly of each infringement or possible infringement of the **Licensed Patent Rights,** as well as, any facts which may affect the validity, scope, or enforceability of the **Licensed Patent Rights** of which either Party becomes aware.

11.2 In the event that a declaratory judgment action alleging invalidity of any of the **Licensed Patent Rights** shall be brought against the **IC,** the **IC** agrees to notify the **Licensee** that an action alleging invalidity has been brought. The **IC** does not represent that it shall commence legal action to defend against a declaratory action alleging invalidity. The **Licensee** shall take no action to compel the **Government** either to initiate or to join in any declaratory judgment action. Should the **Government** be made a party to any suit by motion or any other action of the **Licensee,** the **Licensee** shall reimburse the **Government** for any costs, expenses, or fees, which the **Government** incurs as a result of the motion or other action. Upon the **Licensee's** payment of all costs incurred by the **Government** as a result of the **Licensee's** joinder motion or other action, these actions by the **Licensee** shall not be considered a default in the performance of any material obligation under this **Agreement.**

12. NEGATION OF WARRANTIES AND INDEMNIFICATION

12.1 The **IC** offers no warranties other than those specified in Article 1.

12.2 The **IC** does not warrant the validity of the **Licensed Patent Rights** and makes no representations whatsoever with regard to the scope of the **Licensed Patent Rights,** or that the **Licensed Patent Rights** may be exploited without infringing other patents or other intellectual property rights of third parties.

12.3 THE **IC** MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICUL AR PURPOSE OF ANY SUBJECT MATTER DEFINED BY THE CLAIMS OF THE **LICENSED PATENT RIGHTS** OR TANGIBLE MATERIALS RELATED THERETO.

12.4 The **IC** does not represent that it shall commence legal actions against third parties infringing the **Licensed Patent Rights.**

12.5 The **Licensee** shall indemnify and hold the **IC,** its employees, students, fellows, agents, and consultants harmless from and against all liability, demands, damages, expenses, and losses, including but not limited to death, personal injury, illness, or property damage in connection with or arising out of:

(a) the use by or on behalf of the **Licensee,** its directors, employees, or third parties of any **Licensed Patent Rights;** or

(b) the design, manufacture, distribution, or use of any **Licensed Products, Licensed Processes** or materials by the **Licensee,** or other products or processes developed in connection with or arising out of the **Licensed Patent Rights.**

12.6 The **Licensee** agrees to maintain a liability insurance program consistent with sound business practice.

13. TERM, TERMINATION, AND MODIFICATION OF RIGHTS

13.1 This **Agreement** is effective when signed by all parties, unless the provisions of Paragraph 14.15 are not fulfilled, and shall extend to the expiration of the last to expire of the **Licensed Patent Rights** unless sooner terminated as provided in this Article 13.

13.2 In the event that the **Licensee** is in default in the performance of any material obligations under this **Agreement,** including but not limited to the obligations listed in Paragraph 13.5, and if the default has not been remedied within ninety (90) days after the date of notice in writing of the default, the **IC** may terminate this **Agreement** by written notice and pursue outstanding royalties owed through procedures provided by the Federal Debt Collection Act.

13.3 In the event that the **Licensee** becomes insolvent, files a petition in bankruptcy, has such a petition filed against it, determines to file a petition in bankruptcy, or receives notice of a third party's intention to file an involuntary petition in bankruptcy, the **Licensee** shall immediately notify the **IC** in writing.

13.4 The **Licensee** shall have a unilateral right to terminate this **Agreement** in any country or territory by giving the **IC** sixty (60) days written notice to that effect.

13.5 The **IC** shall specifically have the right to terminate or modify, at its option, this **Agreement,** if the **IC** determines that the **Licensee:**

(a) is not executing the **Commercial Development Plan** submitted with its request for a license and the **Licensee** cannot otherwise demonstrate to the **IC's** satisfaction that the **Licensee** has taken, or can be expected to take within a reasonable time, effective steps to achieve **Practical Application** of the **Licensed Products** or **Licensed Processes;**

(b) has not achieved the **Benchmarks** as may be modified under Paragraph 9.2;

(c) has willfully made a false statement of, or willfully omitted, a material fact in the license application or in any report required by this **Agreement;**

(d) has committed a material breach of a covenant or agreement contained in this **Agreement;**

(e) is not keeping **Licensed Products** or **Licensed Processes** reasonably available to the public after commercial use commences;

(t) cannot reasonably satisfy unmet health and safety needs; or

(g) cannot reasonably justify a failure to comply with the domestic production requirement of Paragraph 5.2, unless waived.

13.6 In making the determination referenced in Paragraph 13.5, the **IC** shall take into account the normal course of such commercial development programs conducted with sound and reasonable business practices and judgment and the annual reports submitted by the **Licensee** under Paragraph 9.2. Prior to invoking termination or modification of this **Agreement** under Paragraph 13.5, the **IC** shall give written notice to the **Licensee** providing the **Licensee** specific notice of, and a ninety (90) day opportunity to respond to, the **IC's** concerns as to the items referenced in 13.5(a)-13.5(g). If the **Licensee** fails to alleviate the **IC's** concerns as to the items referenced in 13.5(a)-13.5(g) or fails to initiate corrective action to the **IC's** satisfaction, the **IC** may terminate this **Agreement.**

13.7 The **IC** reserves the right according to 35 U.S.C. §209(d)(3) to terminate or modify this **Agreement** in accordance with 37 C.F.R. §404.10 if it is determined that the action is necessary to meet the requirements for public use specified by federal regulations issued after the date of the license and these requirements are not reasonably satisfied by the **Licensee.**

13.8 Within [***] days of receipt of written notice of the IC's unilateral decision to modify or terminate this **Agreement,** the **Licensee** may appeal such decision pursuant to 37 C.F.R. §404.11. The **IC** shall promptly render a final decision on the appeal, after which the **Licensee** may exercise any and all administrative or judicial remedies that may be available. Nothing in this Paragraph shall limit any of **Licensee's** rights existing under law or regulation, or require **Licensee** to exhaust a purported remedy, the exhaustion of which is not required by law or regulation.

13.9 Within [***] days of expiration or termination of this **Agreement** under this Article 13, a final report shall be submitted by the **Licensee.** Any royalty payments, including those incurred but not yet paid (such as the full minimum annual royalty), and those related to patent expense, due to the **IC** shall become immediately due and payable upon termination or expiration. Unless otherwise specifically provided for under this **Agreement,** upon termination or expiration of this **Agreement,** the **Licensee** shall return all **Licensed Products** or other materials included within the **Licensed Patent Rights** to the **IC** or provide the **IC** with written certification of the destruction thereof. The **Licensee** may not be granted additional **IC** licenses if the final reporting requirement is not fulfilled.

14. GENERAL PROVISIONS

14.1 Neither party may waive or release any of its rights or interests in this **Agreement** except in writing. The failure of the **Government** to assert a right hereunder or to insist upon compliance with any term or condition of this **Agreement** shall not constitute a waiver of that right by the **Government** or excuse a similar subsequent failure to perform any of these terms or conditions by the **Licensee.**

14.2 This **Agreement** constitutes the entire agreement between the Parties relating to the subject matter of the **Licensed Patent Rights, Licensed Products** and **Licensed Processes** for the **Licensed Field of Use,** and all prior negotiations, representations, agreements, and understandings on that subject matter for the **Licensed Field of Use** are merged into, extinguished by, and completely expressed by this **Agreement.**

14.3 Notwithstanding any other provision herein to the contrary, this **Agreement** shall not amend, modify, or in any way affect the terms or construction of the **Prior Agreement.**

14.4 The provisions of this **Agreement** are severable, and in the event that any provision of this **Agreement** shall be determined to be invalid or unenforceable under any controlling body of law, this determination shall not in any way affect the validity or enforceability of the remaining provisions of this **Agreement.**

14.5 If either party desires a modification to this **Agreement,** the parties shall, upon reasonable notice of the proposed modification by the party desiring the change, confer in good faith to determine the desirability of the modification. No modification shall be effective until a written amendment is signed by the signatories to this **Agreement** or their designees.

14.6 The construction, validity, performance, and effect of this **Agreement** shall be governed by Federal law as applied by the Federal courts in the District of Columbia.

14.7 All **Agreement** notices required or permitted by this **Agreement** shall be given by prepaid, first class, registered or certified mail or by an express/overnight delivery service provided by a commercial carrier, properly addressed to the other party at the address designated on the Signature Page, or to any other address as may be designated in writing by such other party. **Agreement** notices shall be considered timely if such notices are received on or before the established deadline date or sent on or before the deadline date as verifiable by U.S. Postal Service postmark or dated receipt from a commercial carrier. Parties should request a legibly dated U.S. Postal Service postmark or obtain a dated receipt from a commercial carrier or the U.S. Postal Service. Private metered postmarks shall not be acceptable as proof of timely mailing.

14.8 This **Agreement** shall not be assigned or otherwise transferred (including any transfer by legal process or by operation of law, and any transfer in bankruptcy or insolvency, or in any other compulsory procedure or order of court) without the prior written consent of the **IC,** such consent not to be unreasonably withheld, delayed, or conditioned, except that **Licensee** may, without consent of the **IC,** assign this **Agreement** to the **Licensee's Affiliate(s).** The parties agree that the identity of the parties is material to the formation of this **Agreement** and that the obligations under this **Agreement** are nondelegable. **Licensee** may request consent under this Paragraph by written request to the **IC.** Within [***] business days of receipt of such request, the **IC** shall provide written notice to **Licensee** granting or denying consent; the **IC's** failure to provide timely notice shall be deemed as the **IC's** consent. In the event that the **IC** consents to a proposed assignment for which the **IC's** consent is required under this Paragraph, the **Licensee** shall pay the **IC,** as an additional royalty, [***] of the **Fair Market Value** of any consideration received for any assignment of this **Agreement** within [***] days of the assignment. The **IC** shall not require any modification to this **Agreement,** or any payment not contemplated by this **Agreement,** as a condition for its consent under this Paragraph.

14.9 The **Licensee** acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological materials, and other commodities. The transfer of these items may require a license from the appropriate agency of the **Government** or written assurances by the **Licensee** that it shall not export these items to certain foreign countries without prior approval of the agency. The **IC** neither represents that a license is or is not required or that, if required, it shall be issued.

14.10 The **Licensee** agrees to mark the **Licensed Products** or their packaging sold in the United States with all applicable U.S. patent numbers and similarly to indicate "Patent Pending" status. All **Licensed Products** manufactured in, shipped to, or sold in other countries shall be marked in a manner to preserve the **IC** patent rights in those countries.

14.11 By entering into this **Agreement,** the **IC** does not directly or indirectly endorse any product or service provided, or to be provided, by the **Licensee** whether directly or indirectly related to this **Agreement.** The **Licensee** shall not state or imply that this **Agreement** is an endorsement by the **Government,** the **IC,** any other **Government** organizational unit, or any **Government** employee. Additionally, the **Licensee** shall not use the names of the **IC,** the **FDA, HHS,** or the **Government** or their employees in any advertising, promotional, or sales literature without the prior written approval of the **IC.**

14.12 The Parties agree to attempt to settle amicably any controversy or claim arising under this **Agreement** or a breach of this **Agreement,** except for appeals of modifications or termination decisions provided for in Article 13. The **Licensee** agrees first to appeal any unsettled claims or controversies to the designated **IC** official, or designee, whose decision shall not be unreasonably delayed and shall be considered the final agency decision. Thereafter, the **Licensee** may exercise any administrative or judicial remedies that may be available. A notice of appeal given to the **IC** in accordance with Paragraph 14.7 shall consistute an appeal to the designated **IC** official for purposes of this Paragraph. Nothing in this Paragraph shall limit any of **Licensee's** rights existing under law or regulation, or require **Licensee** to exhaust a purported remedy, the exhaustion of which is not required by law or regulation.

14.13 Nothing relating to the grant of a license, nor the grant itself, shall be construed to confer upon any person any immunity from or defenses under the antitrust laws or from a charge of patent misuse, and the acquisition and use ofrights pursuant to 37 C.F.R. Part 404 shall not be immunized from the operation of state or Federal law by reason of the source of the grant.

14.14 Paragraphs 6.10, 8.1, 9.6-9.8, 12.1-12.5, 13.8, 13.9, 14.12 and 14.14 of this **Agreement** shall survive termination of this **Agreement.**

14.15 The terms and conditions of this **Agreement** shall, at the **IC's** sole option, be considered by the **IC** to be withdrawn from the **Licensee's** consideration and the terms and conditions of this **Agreement,** and the **Agreement** itself to be null and void, unless this **Agreement** is executed by the **Licensee** and a fully executed original is received by the **IC** within [***] days from the date of the **IC** signature found at the Signature Page.

14.16 No right or remedy conferred upon or reserved to either party under this **Agreement** is intended to be exclusive of any other right or remedy given hereunder, or now or hereafter provided by law.

SIGNATURES BEGIN ON NEXT PAGE

NIH PATENT AGREEMENT - *NONEXCLUSIVE*

SIGNATURE PAGE

For the **IC**:

/s/ Richard U. Rodgriguez, M.B.A. 7-24-19

Richard U. Rodriguez, M.B.A. Date

Associate Director
Technology Transfer Center
National Cancer Institute
National Institutes of Health

Mailing Address of E-mail Address for **Agreement** notices and reports:

License Compliance and Administration
Monitoring & Enforcement
Office of Technology Transfer
National Institutes of Health
6011 Executive Boulevard, Suite 325
Rockville, Maryland 20852-3804 U.S.A.

E-mail: [***]

For the Licensee (Upon, information and belief, the undersigned expressly certifies or affirms that the contents of any statements of the Licensee made or referred to in this document are truthful and accurate.)

by:

/s/ Murat Kalayoglu, MD, Ph.D. | 9-16-19

Signature of Authorized Official | Date

Murat Kalayoglu, MD, Ph.D.

Printed Name

President

Title

I. Official and Mailing Address for **Agreement** notices:

[***]
[***]
Cartesian Therapeutics
704 Quince Orchard Road, Suite 210
Gaithersburg, MD 20878
Phone: [***]
E-mail: [***]

II. Official and Mailing Address for Financial notices (the **Licensee's** contact person for royalty payments)

[***]
[***]
Cartesian Therapeutics
704 Quince Orchard Road, Suite 210
Gaithersburg, MD 20878
Phone: [***]
E-mail: [***]

Any false or misleading statements made, presented, or submitted to the **Government**, including any relevant omissions, under this **Agreement** and during the course of negotiation of this **Agreement** are subject to all applicable civil and criminal statutes including Federal statutes 31 U.S.C. §§3801-3812 (civil liability) and l8 U.S.C. §1001 (criminal liability including fine(s) and/or imprisonment).

APPENDIX A - PATENT(S) OR PATENT APPLICATION(S)

Patent(s) or Patent Application(s):

[***]

APPENDIX B - LICENSED FIELDS OF USE AND TERRITORY

I. **Licensed Fields of Use:**

1) The development and manufacture of anti-BCMA CART cell products for the treatment of myasthenia gravis (MG), pemphigus vulgaris (PV), and immune thrombocytopenic purpura **(ITP),** wherein the CART cell products are prepared by electroporation of autologous cells with any of the following:
   a. [***]

2) The development and manufacture of anti-BCMA CART cell products for the treatment of myasthenia gravis (MG), pemphigus vulgaris (PV), and immune thrombocytopenic purpura (ITP), [***]

II. **Licensed Territory:**

Worldwide

APPENDIX C - ROYALTIES

Royalties:

I. The **Licensee** agrees to pay to the **IC** a noncreditable, nonrefundable license issue royalty in the amount of one hundred thousand dollars ($100,000.00) to be paid as follows:

(a) A first payment of fifty thousand dollars ($50,000.00) within sixty (60) days following the effective date of this **Agreement;** and

(b) A second payment of fifty thousand dollars ($50,000.00) to be paid on the sooner to occur of(a) the one year anniversary of the effective date of the **Agreement** or (b) the termination of this **Agreement.**

II. The **Licensee** agrees to pay to the **IC** a nonrefundable minimum annual royalty in the amount of [***] as follows:

(a) The first minimum annual royalty is due on 1 January 2020; and

(b) Subsequent minimum annual royalty payments are due and payable on January 1 of each calendar year and may be credited against any earned royalties due for sales made in that year.

III. The **Licensee** agrees to pay the **IC** earned royalties of [***] on **Net Sales** by or on behalf of the **Licensee.**

IV. The **Licensee** agrees to pay the **IC Benchmark** royalties within [***] days of achieving each **Benchmark:**

(a) [***];

(b) [***]**;**

(c) [***]**;**

(d) [***]**.**

APPENDIX D - BENCHMARKS AND PERFORMANCE

The **Licensee** agrees to the following **Benchmarks** for its performance under this **Agreement** and, within thirty (30) days of achieving a **Benchmark,** shall notify the **IC** that the **Benchmark** has been achieved.

I. First IND (or equivalent) filing in the **Licensed Field of Use** Q4 2020

II. Initiation of First Phase II Clinical Trial Q4 2021

III. Initiation of First Phase III Clinical Trial Q4 2024

IV. First BLA (or equivalent) filing in the **Licensed Field of Use** Q4 2026

V. **First Commercial Sale** Q4 2028

APPENDIX E – COMMERCIAL DEVELOPMENT PLAN

[***]

APPENDIX F - EXAMPLE ROYALTY REPORT

[***]

APPENDIX G - ROYALTY PAYMENT OPTIONS

New Payment Options Effective March 2018

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

NON-EXCLUSIVE PATENT LICENSE AGREEMENT

This NON-EXCLUSIVE PATENT LICENSE AGREEMENT (the "Agreement") is made and effective September 8, 2023 (the "Effective Date") by and between Biogen MA, Inc. ("Biogen"), a Delaware corporation, and Cartesian Therapeutics, Inc. ("Cartesian"), a Delaware corporation (each a "Party," and collectively, the "Parties").

WHEREAS, Cartesian desires a non-exclusive license of certain Licensed IP (defined below) of Biogen for use in the Field (defined below), and Biogen is willing to grant Cartesian the license on the terms and conditions set forth below; and

NOW THEREFORE, in consideration of the mutual covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I. DEFINITIONS

1.1. "Affiliate" means a person or entity that directly, or indirectly through one or more intermediaries, owns or controls, is owned or is controlled by, or is under common ownership or control with, a Party. As used herein, "control" means the power to direct the management or affairs of a person or entity, and "ownership" means the beneficial ownership of at least 50% of the voting securities or power of a person or entity.

1.2. "Field" means the prevention, treatment, palliation and management of autoimmune diseases and disorders; *provided, however*, that the Field shall not include any disease or disorder that is a cancer, a neoplastic disorder, or a paraneoplastic disorder such as multiple myeloma, monoclonal gammopathy of undetermined significance (MGUS), leukemia, lymphoma, or a solid tumor.

1.3. "Licensed IP" means, collectively, Biogen's rights in (i) PCT application [***], (ii) all patents that have issued or in the future issue from the foregoing, and (iii) all divisionals, continuations, continuations-in-part, reissues, renewals, extensions or additions to any such patents and patent applications that claim priority thereto, in any country or region, worldwide.

1.4. "Licensed Product" means any product or process that contains or uses cell-based immunotherapy having an engineered T-Cell modified with an mRNA comprising, or encoding a protein comprising, an [***] claimed in a patent or patent application within the Licensed IP.

1.5. "Third Party" means any person or entity other than Biogen, Cartesian and their Affiliates.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

ARTICLE II.
NON-EXCLUSIVE LICENSE

2.1. Grant of Non-Exclusive License. Subject to the terms and conditions of this Agreement, Biogen hereby grants to Cartesian a non-exclusive, sublicensable, worldwide, perpetual license to under the Licensed IP to research, develop, make, have made, use, offer for sale, sell and import the Licensed Product for use in the Field. For clarity, Cartesian shall have no obligation to use, develop, sell, or otherwise exploit any Licensed Product.

2.2. "As-Is, Where-Is" License. Biogen makes no representation or warranty with respect to the Licensed IP, or with respect to freedom to operate, and the Licensed IP is provided "AS IS, WHERE IS".

2.3. Sublicensing. Cartesian may sublicense (through multiple tiers) some or all of its rights under this ARTICLE II to one or more Third Parties (each, a "Sublicense"), provided that any such Sublicense shall be evidenced by a written agreement between Cartesian and the applicable Third Party wherein such Third Party agrees to be bound by the terms and conditions of this Agreement. Within [***] calendar days of executing a Sublicense contract, Cartesian shall provide to Biogen a copy of the contract, the nature and terms of which Biogen shall keep confidential.

2.4. No Implied Licenses. Neither Party grants (or agrees to grant) to the other Party any license except as expressly set forth in this Agreement, whether by implication, estoppel or otherwise.

ARTICLE III. LICENSE FEES

3.1. Upfront Fee. Within [***] calendar days of the Effective Date, Cartesian shall pay Biogen the one-time, upfront license fee of Five Hundred Thousand Dollars ($500,000).

3.2. Annual Fee. During the Term, within [***] calendar days of each anniversary of the Effective Date, Cartesian shall pay Biogen the annual license fee of Fifty Thousand Dollars ($50,000).

3.3. No Other Expenses or Fees. Except as expressly provided in this ARTICLE III, Cartesian shall owe Biogen no other expenses, fees, or royalties.

ARTICLE IV. LICENSED IP RIGHTS

4.1. Prosecution, Maintenance and Enforcement. As between the Parties, Biogen shall have the sole right (but not the obligation), at its sole expense, to prepare, file, prosecute, maintain, enforce and defend the Licensed IP. Biogen shall consider in good faith the interests of Cartesian in so doing.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

4.2. Notice to Cartesian of Certain Events. During the Term, Biogen shall promptly notify Cartesian when a Third Party (i) has challenged a patent under the Licensed IP in a legal proceeding or (ii) is believed by Biogen to have infringed any claim of a patent within the Licensed IP.

ARTICLE V.
TERM, TERMINATION, AND EXPIRATION

5.1. Term. The term of this Agreement shall commence on the Effective Date and continue in full force and effect unless terminated or expired as provided hereunder (the "Term").

5.2. Termination.

(a) By Cartesian. Cartesian may terminate this Agreement for any reason or no reason.

(b) By Biogen. In each case after a notice-and-cure period of 30 calendar days, Biogen may terminate this Agreement for Cartesian's failure to pay a fee owed to Biogen under ARTICLE III, or for any other material breach of this Agreement.

(c) Notice. Termination shall be effective 15 calendar days after a Party notifies the other of termination.

5.3. Expiration. This Agreement shall expire, without further act by the Parties, when all claims of all issued patents within the Licensed IP have expired or been finally rendered revoked, invalid or unenforceable by a decision of a court or other governmental agency of competent jurisdiction.

5.4. Consequences of Termination or Expiration.

(a) License. Upon termination or expiration of this Agreement, the license granted hereunder shall terminate.

(b) Fees. Upon termination or expiration of this Agreement, Cartesian shall immediately pay any fees owed to Biogen pursuant to ARTICLE III and outstanding immediately prior to the effective date of the termination or expiration (if any). Cartesian shall incur no additional fees thereafter.

(c) Survival. This Section 5.4 and ARTICLE VI shall survive any expiration or termination of this Agreement.

(d) Remedies. Termination or expiration of this Agreement under this ARTICLE V shall not affect any other rights or remedies available to a Party in law or equity.

ARTICLE VI.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

MISCELLANEOUS

6.1. Confidentiality. Except where required by law, neither Biogen nor Cartesian shall, without the prior written consent of the other Party, issue any statement or communication to the public, the press or any Third Party regarding this Agreement or the existence thereof, or any act or disclosure thereunder; *provided, however,* that Cartesian may disclose the terms and status of this Agreement (including a copy of this instrument) to a prospective or actual business partner, investor, or purchaser of Cartesian that is contractually bound to Cartesian to keep such disclosure confidential. The confidentiality obligations of this Section 6.1 shall survive [***] years after termination or expiration of this Agreement.

6.2. Authority and Freedom to Enter into this Agreement. Each Party represents and warrants that (i) it has lawful authority and freedom to enter into this Agreement, and (ii) the execution and delivery of this Agreement and performance of such Party's obligations hereunder do no conflict with, or constitute a default under, any contractual obligation of such Party.

6.3. No Consequential Damages. EXCEPT FOR THE BREACH OF ANY CONFIDENTIALITY OBLIGATIONS HEREUNDER, IN NO EVENT SHALL A PARTY BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, INCLUDING WITHOUT LIMITATION LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES.

6.4. Entire Agreement; Construction. This Agreement shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, representations, commitments, course of dealings and writings with respect to such subject matter.

6.5. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same instrument.

6.6. Expenses. Except as expressly stated herein, each Party shall bear its own expenses in connection with this Agreement.

6.7. Notices. All notices and other communications under this Agreement shall be sent by traceable mail or courier as follows:

If to Biogen:

Biogen MA, Inc. 225 Binney Street
Cambridge, MA 02142 Attn: [***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

If to Cartesian:

Cartesian Therapeutics, Inc. 704 Quince Orchard Blvd Suite 210[a]
Gaithersburg, MD 20878 Attn: [***]

6.8. Assignment. This Agreement shall not be assignable without the prior written consent of the other Party, except: (i) with respect to Biogen, to an Affiliate of Biogen,
(ii) with respect to Cartesian, to an Affiliate of Cartesian, or (iii) to a Third Party in connection with a merger, reorganization, consolidation or the sale of all or substantially all the assets of a Party to which this Agreement relates. Any purported assignment in violation of this Section 6.8 shall be void.

6.9. Successors and Assigns. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the Parties and their respective successors and permitted assigns.

6.10. Governing Law. This Agreement and any dispute in connection with it shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to conflict-of-laws principles.

6.11. Jurisdiction. All actions that, directly or indirectly, arise out of or relate to this Agreement shall be heard and determined exclusively in the state and federal courts located in Boston, Massachusetts.

6.12. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR LIABILITY, DIRECTLY OR INDIRECTLY, ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT.

6.13. Severability. If any provision in this Agreement is held invalid, illegal, or unenforceable, the remaining provisions shall not be affected or impaired thereby.

6.14. No Waiver. No failure or delay to exercise a right, remedy, power, or privilege of this Agreement shall operate as a waiver thereof.

[SIGNATURES FOLLOW ON NEXT PAGE]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

IN WITNESS WHEREOF, the Parties hereto have each caused this Agreement to be executed by their duly-authorized representatives as of the Effective Date.

BIOGEN MA, INC.

By: /s/ Paul Weinreb

Name: Paul Weinreb

Title: Head of Biologics Drug Discovery

CARTESIAN THERAPEUTICS

By: /s/ Michael S. Singer, MD, Ph.D.

Name: Michael S. Singer, M.D., Ph.D.

Title: Vice President

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

LICENSE AND DEVELOPMENT AGREEMENT

dated January 8, 2023 by and between

Selecta Biosciences, Inc. and

Audentes Therapeutics, Inc.

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

TABLE OF CONTENTS

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

EXHIBITS AND APPENDICES

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

LICENSE AND DEVELOPMENT AGREEMENT

THIS LICENSE AGREEMENT (the "**Agreement**") is dated as of January 8, 2023 (the "**Effective Date**") by and between Selecta Biosciences, Inc., a Delaware corporation, with an address at 480 Arsenal Way, Watertown, MA 02472 ("**Selecta**"), and Audentes Therapeutics, Inc. (d/b/a Astellas Gene Therapies), a Delaware corporation with its principal place of business at 600 California Street, 17th Floor, San Francisco, CA 94108 ("**Astellas**"). Selecta and Astellas may be referred to herein as a "**Party**" or, collectively, as "**Parties**".

RECITALS

WHEREAS, Astellas is a biopharmaceutical company engaged in the research, development, manufacture and commercialization of human therapeutic products, including gene therapy products;

WHEREAS, Selecta is a clinical stage biotechnology company engaged, among other activities, in the development of pharmaceutical products with a focus on autoimmunity and unwanted immunogenicity, and controls certain rights to Xork Products (as defined below); and

WHEREAS, Selecta wishes to license to Astellas, on an exclusive basis, the Selecta Technology (as defined below) to develop and commercialize Xork Products (as defined below) solely to the extent included as a component of an Astellas Combination Product (as defined below) in the Field (as defined below).

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties agree as follows.

ARTICLE 1 DEFINITIONS

In this Agreement the following terms, when capitalized, shall have the following meanings, and such meanings shall apply equally to both the singular and plural forms of the terms defined:

1.1 "**Accounting Standards**" means, with respect to a Party or its Affiliates or its or their sublicensees, United States generally accepted accounting principles or International Financial Reporting Standards as issued by the International Accounting Standards Board, as applicable, in each case consistently applied.

1.2 "**Affiliate**" means a Person that now or in the future, controls, is controlled by or is under common control with another Person, but only for so long as such control exists. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means: (a) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance or otherwise; or (b) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.3 "**Agreement**" has the meaning set forth in the Preamble.
1.4 "**Alliance Manager**" has the meaning set forth in Section 2.1 (Alliance Managers).
1.5 "**Anti-Bribery Laws**" has the meaning set forth in Section 14.2 (Improper Conduct).
1.6 "**Applicable Laws**" means any applicable supranational, federal, state, local or foreign law, statute, ordinance or principle of common law, or any rule, regulation, standard, judgment, order, writ, injunction, decree, arbitration award, agency guidelines or other requirement, license or permit of any Governmental Body, which may be in effect from time to time and applicable to a particular activity or country or other jurisdiction hereunder.
1.7 "**Arbitration Notice**" has the meaning set forth in Section 13.3.1 (Rules).
1.8 "**Arbitrators**" has the meaning set forth in Section 13.3.2 (Selection of Arbitrators).
1.9 "**Arising IP**" has the meaning set forth in Section 8.1.1 (Ownership).
1.10 "**Astellas**" has the meaning set forth in the Preamble.
1.11 "**Astellas Arising Patents**" has the meaning set forth in Section 8.3.1 (Responsibility).
1.12 "**Astellas Combination Product**" means any Combination Product wherein one of the active ingredients is an Astellas Product and at least one of the other active ingredients is Xork; [***].
1.13 "**Astellas Development Plan**" has the meaning set forth in Section 5.2.2 (Astellas Development Plan).
1.14 "**Astellas Indemnitees**" has the meaning set forth in Section 11.1 (Indemnification by Selecta).
1.15 "[***]" has the meaning set forth in [***].
1.16 "**Astellas Product**" means any AAV gene therapy product that is developed or commercialized by or on behalf of Astellas for use in the Field in the Territory.

1.17 "**Astellas Publication**" has the meaning set forth in Section 9.3 (Publications).
1.18 "[***]" has the meaning set forth in Section 2.7.4i (Selecta Final Decision-Making).

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.19 "**Bankruptcy Code**" has the meaning set forth in Section 12.4 (Termination for Bankruptcy).

1.20 "**Biosimilar Competition**" means, on a country-by-country, Fiscal Quarter-by- Fiscal Quarter and Astellas Combination Product-by-Astellas Combination Product basis, that the unit volume of a Biosimilar Product(s) sold in such country by one (1) or more Third Party(ies) in such Fiscal Quarter is at least [***]of the sum of (a) the unit volume of such Astellas Combination Product sold by Astellas, its Affiliates and Sublicensees and (b) the unit volume of Biosimilar Products of such Astellas Combination Products sold in such country by Third Parties. Unless otherwise agreed by the Parties, the unit volumes of each Biosimilar Product sold during a Fiscal Quarter shall be as reported by [***] or any other independent sales auditing firm reasonably agreed upon by the Parties.

1.21 "**Biosimilar Product**" means, with respect to an Astellas Combination Product in a particular country, any biological product sold by a Third Party that is not a Sublicensee of, or Third Party distributor for, Astellas or its Affiliates and that did not purchase such product in a chain of distribution that included Astellas or any of its Affiliates or Sublicensees, (a) where such product is approved by the applicable Regulatory Authority as biosimilar to or interchangeable with such Astellas Combination Product (including, with respect to the United States, a product that is the subject of an application submitted under Section 351(k) of the Public Health Services Act citing the Astellas Combination Product as the reference product), (b) whose licensing, approval, or marketing authorization relies in whole or in part on any data generated in support of a prior approval, licensing or marketing authorization granted for such Astellas Combination Product (other than data generated for the Astellas Product), (c) for which the Regulatory Approval otherwise relies on such Astellas Combination Product as a reference product or any corresponding foreign application in the Territory (including, with respect to the EU, a marketing authorization application for a biosimilar biological medicinal product pursuant to Article 10(4) of Directive 2001/83/EC), or (d) is otherwise substitutable under Applicable Laws for an Astellas Combination Product when dispensed without the intervention of a physician or other health care provider with prescribing authority.

1.22 "**BLA**" means a Biologics License Application filed pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 601, and any equivalent application submitted in any country in the Territory, including all additions, deletions or supplements thereto, and as any and all such requirements may be amended, or supplanted, at any time.

1.23 "**Breaching Party**" has the meaning set forth in Section 12.3.1 (Material Breaches).

1.24 "**Business Day**" means a day other than: (a) a Saturday or Sunday, (b) any day on which banking institutions in New York, New York are authorized or required by Applicable Law to remain closed, or (c) [***].

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.25 "**Challenging Party**" shall mean any Person that brings, assumes or participates in or that knowingly and willfully assists in bringing a Patent Challenge.

1.26 "**Change of Control**" means, with respect to a Person: (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of such Person's assets; or (b) a merger or consolidation in which the shareholders of such Person immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of such Person's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for such Person's stock or the issuance, sale or exchange of stock of such Person) if the shareholders of such Person immediately prior to the initial such transaction do not, immediately after consummation of such transaction or any of such related transactions, own, directly or indirectly through one or more intermediaries, stock or other securities of the entity that possess a majority of the voting power of all of such Person's outstanding stock and other securities and the power to elect a majority of the members of such Person's board of directors.

1.27 "**Clinical Supply Agreement**" has the meaning set forth in Section 4.2 (Clinical Supply Agreement).

1.28 "**Clinical Trial**" means a clinical trial in human subjects that has been approved by a Regulatory Authority and Institutional Review Board or Ethics Committee and is designed to measure the safety or efficacy of a pharmaceutical product. Clinical Trials shall include Phase 1 Trials, phase 2 trials and Phase 3 Trials.

1.29 "**CMO**" has the meaning set forth in Section 4.1 (Responsibility for Manufacturing).

1.30 "**Combination Product**" means any pharmaceutical or biopharmaceutical product with more than one active ingredient and wherein the active ingredients are sold (or being developed to be sold) for a single price, regardless if such active ingredients are in the same or different formulations, co-shipped or shipped separately, co-packaged or packaged separately or co-administered or administered separately.

1.31 "**Commercialization**" or "**Commercialize**" means any and all activities undertaken before or after Regulatory Approval of an BLA for a particular product and directed to the commercial exploitation of the product, including the marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of the product, conducting post- marketing human clinical studies for a product with respect to any indication as to which Regulatory Approval has been received and interacting with Regulatory Authorities regarding the foregoing.

1.32 "**Commercialization Plan**" has the meaning set forth in Section 5.3.2 (Commercialization Plan).

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.33 "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended by any Party with respect to any objective, [***]

1.34 "**Commercial Supply Agreement**" has the meaning set forth in Section 4.3 (Commercial Supply Agreement).

1.35 "**Confidential Information**" of a Party means any technical, business or other information provided by or on behalf of one Party to the other Party in connection with this Agreement, whether prior to, on or after the Effective Date, including information relating to the terms of this Agreement, information relating to Xork, Xork Products, Astellas Combination Products or Astellas Products (including the regulatory documentation), any Development or Commercialization of any product, or the scientific, regulatory or business affairs or other activities of either Party, including any Know-How that such Party discloses to the other Party under this Agreement, or otherwise becomes known to the other Party by virtue of this Agreement.

1.36 "**Controlled**" means, with respect to (a) Patent Rights, (b) Know-How, (c) Regulatory Filings, (d) Regulatory Approvals, or (e) biological, chemical or physical material, that the Party or one of its Affiliates owns or has a license or sublicense to such right, item, or material

(or in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such right, item or material as provided for in this Agreement without (i) violating the terms of any agreement or other arrangement with any Third Party, in particular such Third Party that has assigned or licensed such Patent Rights, Know-How or material to such Party (or any Affiliate of such Party) or (ii) triggering payment obligations of such Party (or any Affiliate of such Party) towards any Third Party that assigned or licensed such right, item, or material to such Party (or any Affiliate of such Party) that become payable in connection with the other Party's exploitation thereof hereunder, unless the other Party agrees in writing to pay any such sums. Notwithstanding the foregoing, Selecta shall be deemed to "Control" the Patent Rights and Know-How licensed under the Upstream License.

1.37 "**Controlling Party**" has the meaning set forth in Section 8.6.3 (Consultation).

1.38 "**Corporate Mark**" means, in the case of Selecta, the corporate Trademarks Controlled by Selecta, including any translation or derivation of any of the foregoing, either alone or in combination with other words and all marks, trade dress, logos, monograms, and other source identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words.

1.39 "**Cover**" means, with respect to a product, [***]

1.40 "**Cross-Labeled Product**" means any set of pharmaceutical or biopharmaceutical products comprising two or more active ingredients in a set ratio and wherein the active ingredients are sold (or being developed to be sold) as part of a course of treatment utilizing such active ingredients together (whether sequentially or concurrently) to produce the desired pharmacological effect, wherein such combined usage is included on the approved labeling of each such active ingredient or otherwise cross-labeled, regardless if such active ingredients are in the same or different formulations, co-shipped or shipped separately, co-packaged or packaged separately or co-administered or administered separately.

1.41 "**Cure Period**" has the meaning set forth in Section 12.3.1 (Material Breaches).

1.42 "**Data Breach**" shall have the meaning set forth in Section 14.1.6 (Breach Notification).

1.43 "**Data Protection Law**" means the Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) ("**GDPR**") as well as, if applicable, any other data protection laws of the country in which Astellas is established and any data protection laws applicable to Astellas in connection with this Agreement.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.44 "**Development**" or "**Develop**" means, with respect to a product, all activities related to pre-clinical and clinical development, including toxicology, pharmacology, test method development and stability testing, process development, formulation development, quality control development, statistical analysis, Clinical Trials (excluding Clinical Trials conducted after Regulatory Approval of an BLA for a product), Manufacturing in support thereof and regulatory activities that are required to obtain Regulatory Approval of an BLA for such product in the Territory under this Agreement, and interacting with Regulatory Authorities regarding the foregoing.

1.45 "**Development Dispute**" has the meaning set forth in Section 2.7.4iii (Development Disputes).

1.46 "**Dispute**" has the meaning set forth in Section 13.1 (Disputes).

1.47 "**Effective Date**" has the meaning set forth in the Preamble.

1.48 "**EMA**" means the European Medicines Agency, or any successor agency thereto.

1.49 "**Encumbered Field**" means [***].

1.50 "**Encumbered Field Availability Notice**" has the meaning set forth in Section 3.5.2 (Exercise of Prior ROFN).

1.51 "**Encumbered Field Notice**" has the meaning set forth in Section 3.5.1 (Notification).

1.52 "**Encumbered Field Negotiation Period**" has the meaning set forth in Section 7.8.1 (Right to Negotiate for the Encumbered Field).

1.53 "**European Commission**" means the authority within the European Union that has the legal authority to grant Regulatory Approvals in the European Union based on input received from the EMA or other competent Regulatory Authorities.

1.54 "**Exclusivity-Related Activities**" has the meaning set forth in Section 3.3.1 (Change of Control of Selecta).

1.55 "**Exploit**" or "**Exploitation**" means to make, have made, import, use, sell, or offer for sale, including to Develop, Commercialize, register, modify, enhance, improve, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), formulate, optimize, have used, export, transport, distribute, promote, market, have sold or otherwise dispose of.

1.56 "**FD&C Act**" means the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §301 et seq.), as amended from time to time.

1.57 "**FDA**" means the United States Food and Drug Administration, or any successor agency thereto.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.58 "**Field**" means (a) the prevention, prophylaxis, treatment, management, cure, or amelioration of Pompe disease and (b) any other fields added to this Agreement by a written amendment pursuant to Section 15.7 (Entire Agreement), including an amendment to this Agreement to add (i) ROFN Field(s) pursuant to the Right of First Negotiation, or (ii) Encumbered Fields pursuant to the Right of Encumbered Field Negotiation, in each case ((i) and (ii)) with such other terms as may be agreed by the Parties.

1.59 "**First Commercial Sale**" means, with respect to any country (or jurisdiction) the first commercial sale, transfer or disposition for value of the Astellas Combination Product by Astellas, its Affiliates or Sublicensees to a Third Party for use or consumption of such Astellas Combination Product in such country (or jurisdiction) after Regulatory Approval of such Astellas Combination Product in such country (or jurisdiction) and where such sale results in a recordable Net Sale in accordance with the applicable Accounting Standards. Sales prior to receipt of Regulatory Approval for such Astellas Combination Product, such as so-called "treatment IND sales," "named patient sales," and "compassionate use sales" shall not be deemed a "First Commercial Sale".

1.60 "**Fiscal Quarter**" means each three (3) month period commencing April 1, July 1, October 1 or January 1, *provided*, *however*, that (a) the first Fiscal Quarter of the Term shall extend from the Effective Date to the end of the first full Fiscal Quarter thereafter, and (b) the last Fiscal Quarter of the Term shall end on the date of termination or expiration of this Agreement.

1.61 "**Fiscal Year**" means the period beginning on April 1 and ending on March 31 of the following calendar year; *provided*, *however*, that (a) the first Fiscal Year of the Term shall commence on the Effective Date and end on the first March 31 thereafter and (b) the last Fiscal Year of the Term shall commence on April 1 of the fiscal year in which this Agreement terminates or expires and end on the date of termination or expiration of this Agreement.

1.62 "**GDPR**" has the meaning set forth in Section 1.43 (Data Protection Law).

1.63 "**Generic Action**" has the meaning set forth in Section 8.5.3 (Right to Bring Action against a Generic Product).

1.64 "**Genovis**" has the meaning set forth in Section 1.137 (Upstream License).

1.65 "**Governmental Body**" means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.66 "**ICC**" has the meaning set forth in Section 13.3.1 (Rules).

1.67 "**Improper Conduct**" has the meaning set forth in Section 14.2 (Improper Conduct).

1.68 "**IND**" means an investigational new drug application filed with the FDA or the equivalent application or filing filed with any equivalent agency or Governmental Body outside the United States (including any supra-national entity such as in the European Union) for approval to commence Clinical Trials in such jurisdiction, and including all regulations at 21 U.S. CFR § 312 et seq. and equivalent foreign regulations.

1.69 "**Indemnified Party**" has the meaning set forth in Section 11.3 (Procedure).

1.70 "**Indemnifying Party**" has the meaning set forth in Section 11.3 (Procedure).

1.71 "**Intellectual Property**" has the meaning set forth in Section 12.4 (Termination for Bankruptcy).

1.72 "**Initiation**" of a Clinical Trial means the first dosing of the first subject in such Clinical Trial, and "**Initiate**" or "**Initiating**" shall have correlative meanings.

1.73 "**JSC**" shall have the meaning set forth in Section 2.3 (Joint Steering Committee).

1.74 "**JSC Chair**" shall have the meaning set forth in Section 2.4 (Committee Chair).

1.75 "**Joint IP**" means all Arising IP that is jointly owned by the Parties.

1.76 "**Joint Patents**" shall have the meaning set forth in Section 8.4.1 (Filing, Prosecution, Maintenance and Defense of Joint Patents).

1.77 "**Know-How**" means any: (a) scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including discoveries, inventions, trade secrets, devices, databases, practices, protocols, regulatory filings, methods, processes (including Manufacturing processes, specification and techniques), techniques, concepts, ideas, specifications, formulations, formulae, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, medical records, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, or Regulatory Authorities, and Manufacturing process and development information, results and data, whether or not patentable, all to the extent not claimed or disclosed in a Patent Right; and (b) compositions of matter, assays, animal models and physical, biological or chemical material, including drug substance samples, intermediates of drug substance samples, drug product samples and intermediates of drug product samples. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, or a development relating to the item, is (and remains) not known to the public.

1.78 "**Losses**" has the meaning set forth in Section 11.1 (Indemnification by Selecta).

1.79 "**Major European Market**" means each of [***].

1.80 "**Major Market**" means each of (a) the United States of America, (b) collectively [***] of the [***] Major European Markets, and (c) Japan.

1.81 "**Manufacturing**" or "**Manufacture**" means all activities related to the production, manufacture, making, processing, filling, finishing, packaging, labeling, shipping and holding of a product or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial production and analytic development, product characterization, stability testing, quality assurance and quality control.

1.82 "**Milestone Event**" means each of the milestone events listed in Section 7.3 (Milestone Events and Milestone Payments).

1.83 "**Milestone Payment**" means the payment regarding a respective Milestone Event listed in Section 7.3 (Milestone Events and Milestone Payments).

1.84 "**Mono Product**" has the meaning set forth in Section 1.87 (Net Sales).

1.85 "**NDC#**" means (a) with respect to the United States, the unique 3-segment, 11- digit number that identifies the labeler (i.e., manufacturer, re-packager or distributor), the product and the trade package size, and (b) outside of the United States, any similar coding that is used to either (i) identify the labeler (i.e., manufacturer, re-packager or distributor), the product and the trade package size; or (ii) identify a pharmaceutical or biopharmaceutical product for the purposes of pricing and reimbursement for such pharmaceutical or biopharmaceutical product.

1.86 "**Negotiation Period**" has the meaning set forth in Section 3.4.2 (ROFN Period).

1.87 "**Net Sales**" means, [***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***]

1.88 "**New Affiliate**" has the meaning set forth in Section 3.3.1 (Change of Control of Selecta).

1.89 "**Non-Breaching Party**" has the meaning set forth in Section 12.3.1 (Material Breaches).

1.90 "**Non-Generic Action**" has the meaning set forth in Section 8.5.2 (Right to Bring Action).

1.91 "**Party**" has the meaning set forth in the Preamble.

1.92 "**Patent Challenge**" shall mean any challenge to the validity, patentability, enforceability, non-infringement or scope of any of the Selecta Patents or otherwise opposing any of the Selecta Patents through a legal or administrative proceeding, but solely to the extent such challenge is directed to a Patent Right related to the use of Xork or the Xork Product in the Field; *provided*, *however*, that [***] For clarity, [***]

1.93 "**Patent Right(s)**" means (a) all national, regional and international patents and patent applications, including provisional patent applications, (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from either of these, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications, (c) any and all patents that have issued or in the future issue from the foregoing patent applications ((a) and (b)), including utility models, petty patents and design patents and certificates of invention, (d) any and all similar rights, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents; and (e) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, renewals, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((a), (b), (c) and (d)).

1.94 "**Paying Party**" has the meaning set forth in Section 7.8.2 (Tax Cooperation).

1.95 "**Person**" means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

1.96 "**Personal Data**" means any information relating to an identified or identifiable natural person as defined in the General Data Protection Regulation.

1.97 "**Phase 1 Trial**" means a Clinical Trial in which a product is administered to human subjects at multiple dose levels with the principle purpose of which is a preliminary determination of safety, metabolism, and pharmacokinetic and pharmacodynamic properties of the product and consistent with 21 U.S. CFR § 312.21(a), including similar Clinical Trials prescribed by a Regulatory Authority.

1.98 "**Phase 3 Trial**" means a human Clinical Trial of a product, which trial is designed (a) to establish that the product is safe and efficacious for its intended use; (b) to define warnings, precautions and adverse reactions that are associated with the product in the dosage range to be prescribed; and (c) consistent with 21 U.S. CFR § 312.21(c), including similar Clinical Trials prescribed by a Regulatory Authority.

1.99 "**Pivotal Study**" means a Clinical Trial (whether or not designated a Phase 3 Trial) for a product that is expected to be the basis for submitting an application for, and obtaining Regulatory Approval of, such product for an indication, based on guidance or discussions with the applicable Regulatory Authority. [***]

1.100 "**Pricing Approval**" means any governmental approval, agreement, determination or decision establishing prices that can be charged and/or reimbursed for a pharmaceutical product in a jurisdiction where the applicable Governmental Body or Regulatory Authority approves or determines the pricing of pharmaceutical products.

1.101 "**Prior ROFN**" has the meaning set forth in Section 3.5.2 (Exercise of Prior ROFN).

1.102 "**Prior ROFN Holder**" has the meaning set forth in Section 3.5.2 (Exercise of Prior ROFN).

1.103 "**Recipient**" has the meaning set forth in Section 7.8.2 (Tax Cooperation).

1.104 "**Regulatory Approval**" means any and all approvals, licenses, registrations, or authorizations of the relevant Regulatory Authority necessary for the Development, Manufacture and Commercialization of a product in a particular country or jurisdiction, including any Pricing Approvals solely to the extent such Pricing Approvals are required to Commercialize such product in such jurisdiction.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.105 "**Regulatory Authority**" means (a) in the US, the FDA, (b) in the EU, the EMA or the European Commission, or (c) any Governmental Body with similar regulatory authority over pharmaceutical or biotechnology products in any other jurisdiction anywhere in the world.

1.106 "**Regulatory Filing**" means all: (a) applications (including all INDs and other applications for Regulatory Approval), registrations, licenses, authorizations, and approvals (including Regulatory Approvals); (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all regulatory drug lists, advertising and promotion documents, adverse event files, and complaint files; and (c) clinical data and data contained or relied upon in any of the foregoing, in each case ((a), (b), and (c)) relating to Xork, a Xork Product, an Astellas Combination Product or an Astellas Product.

1.107 "**Right of Encumbered Field Negotiation**" has the meaning set forth in Section 3.5.3 (Right to Negotiate for the Encumbered Field).

1.108 "**Right of First Negotiation**" has the meaning set forth in Section 3.4.2 (ROFN Period).

1.109 "**ROFN Field**" means, individually or collectively, [***] and [***].

1.110 "**ROFN Notice**" has the meaning set forth in Section 3.4.1 (Notification and Exercise).

1.111 "**Royalty Term**" has the meaning set forth in Section 7.4.2 (Royalty Term).

1.112 "**Rules**" has the meaning set forth in Section 13.3.1 (Rules).

1.113 "**Sanctioned Person**" means any person (a) debarred or suspended under Section 306 of the FD&C Act, (b) excluded from participation in federal health care programs, i.e., listed on the U.S. Department of Health and Human Services Office of Inspector General's (OIG) List of Excluded Individuals/Entities, (c) debarred, disqualified, suspended, or otherwise being ineligible to participate in U.S. government procurement or non-procurement programs, *i.e.*, listed on the General Services Administration's System for Award Management (SAM), or (d) convicted of any crime or charged with any conduct that would reasonably be expected to result in debarment or suspension under Section 306 of the FD&C Act, exclusion from participation in federal health care programs, or debarment, disqualification, suspension, or otherwise becoming ineligible to participate in U.S. Government procurement or non-procurement programs.

1.114 "**Selecta**" has the meaning set forth in the Preamble.

1.115 "**Selecta Indemnitees**" has the meaning set forth in Section 11.2 (Indemnification by Astellas).

1.116 "**Selecta Know-How**" means all Know-How Controlled by Selecta or its Affiliates as of the Effective Date or at any time during the Term that is necessary or reasonably useful for

the Exploitation of Xork or Xork Products in the Field in the Territory. For the avoidance of doubt, Selecta Know-How shall include the Know-How within the Xork Arising IP.

1.117 "[***]" has the meaning set forth in Section 2.7.4ii (Astellas Final Decision-Making).

1.118 "**Selecta Patents**" means all the Patent Rights that are Controlled by Selecta or its Affiliates as of the Effective Date or at any time during the Term and that are necessary or reasonably useful for or otherwise Cover or claim the Exploitation of Xork or Xork Products in the Field in the Territory. [***] For the avoidance of doubt, Selecta Patents shall include the Patent Rights within the Xork Arising IP.

1.119 "**Selecta Publication**" has the meaning set forth in Section 9.3 (Publications).

1.120 "**Selecta Technology**" means the Selecta Know-How, Selecta's interest in the Joint IP, Xork Arising IP and the Selecta Patents, collectively.

1.121 "**Selling Party**" has the meaning set forth in Section 1.87 (Net Sales).

1.122 "**Senior Executives**" shall have the meaning set forth in Section 13.2 (Escalation to Senior Executives).

1.123 "**Statement of Interest**" has the meaning set forth in Section 3.4.1 (Notification and Exercise).

1.124 "**Sublicensee**" means a Person other than an Affiliate of Astellas to which Astellas (or its Affiliate) has, pursuant to Section 3.2 (Grant of Sublicense by Astellas), granted sublicense rights under any of the license rights granted under Section 3.1 (Grant of License).

1.125 "**Sublicense**" shall be construed accordingly. For clarity, a Third Party distributor or other subcontractor granted rights solely pursuant to Section 5.6 (Subcontracting) shall not be deemed a Sublicensee.

1.126 "**Supply Failure**" has the meaning set forth in Schedule 4.2 (Key Terms and Conditions for Supply Agreements).

1.127 "**Tax**" or "**Taxes**" means any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including any interest thereon), including any VAT.

1.128 "**Technology Transfer**" has the meaning set forth in Section 4.5 (Technology Transfer Following Manufacturing Option Exercise).

1.129 "**Term**" has the meaning set forth in Section 12.1 (Term of Agreement).

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

1.130 "**Territory**" means all the countries in the world.

1.131 "**Third Party**" means any Person that is not a Party or an Affiliate of a Party or which is not a Sublicensee of Astellas hereunder.

1.132 "**Third Party Action**" has the meaning set forth in Section 8.6.1 (Notice).

1.133 "**Third Party Combination Product**" means a product that contains an Astellas Combination Product, together with one (1) or more other active ingredients that are not Astellas Products or Xork Products, and is sold either as a fixed dose/unit or as separate doses/units.

1.134 "**Third Party License Agreement**" means any agreement entered into by Astellas or its Affiliate with a Third Party, or any amendment or supplement thereto, in each case following the Effective Date, whereby royalties, fees or other payments are to be made by Astellas or its Affiliate to such Third Party in connection with the grant of rights under intellectual property rights Controlled by such Third Party, which rights are reasonably necessary to Develop, Manufacture, or Commercialize a Xork Product included in an Astellas Combination Product.

1.135 "**United States**" or "**US**" means the United States of America, its territories and possessions.

1.136 "**Upfront Payment**" has the meaning set forth in Section 7.1 (Upfront Payment).

1.137 "**Upstream License**" means that certain Exclusive License Agreement dated October 21, 2021 by and between Genovis AB (PUBL.) ("**Genovis**") and Selecta, as may be amended from time to time.

1.138 "**Valid Claim**" means a claim of an issued and unexpired patent or patent application within the Selecta Patents covering the composition of matter or method of use of Xork or a Xork Product, which patent is Controlled by Selecta and has not (a) expired or been canceled,
(b) been declared invalid by an unreversed and unappealable decision of a court or other appropriate body of competent jurisdiction, (c) been admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise or (d) been withdrawn or abandoned; *provided* that, if a claim of a pending patent application shall not have issued within [***] years after the earliest filing date from which such claim takes priority, such claim shall not constitute a Valid Claim for purposes of this Agreement unless and until a patent right issues with such claim (from and after which time the same would be deemed a Valid Claim).

1.139 "**VAT**" means any value added, sales, use, consumption, excise or similar Taxes.

1.140 "**Xork**" means IdeXork, IgG protease, and all variants, including truncated and substituted versions, thereof.

1.141 "**Xork Arising IP**" has the meaning set forth in Section 8.1.1 (Ownership).

1.142 "**Xork Development Plan**" has the meaning set forth in Section 5.1.2 (Xork Development Plan).

1.143 "**Xork Development Plan Budget**" has the meaning set forth in Section 5.1.3 (Costs and Budgeting).

1.144 "**Xork License**" has the meaning set forth in Section 3.1 (Grant of License).

1.145 "**Xork Product**" means any pharmaceutical or biopharmaceutical product containing or comprised of Xork, including any Combination Product (that is not an Astellas Combination Product) that contains or is comprised of Xork together with one or more other active ingredients.

ARTICLE 2 GOVERNANCE

2.1 **Alliance Managers**. Within [***] days of the Effective Date, each Party shall appoint the initial representative of such Party to act as its alliance manager under this Agreement (each, an "**Alliance Manager**"). Each Party may replace its Alliance Manager at any time upon notice to the other Party.

2.2 **Alliance Manager Responsibilities**. The Alliance Managers shall serve as the primary contact point between the Parties and shall be primarily responsible for facilitating the flow of information and for otherwise promoting day-to-day communication, coordination and collaboration between the Parties under this Agreement. Any requests for information from one Party to the other Party shall be made through the Alliance Managers. In particular, the Alliance Managers shall have the following responsibilities:

2.2.1 providing a single point of communication for seeking consensus both internally within the respective Party's organization and between the Parties regarding key strategy and planning issues;

2.2.2 initially addressing any finance and business issues that may arise, including determining whether any escalation of discussions of any such matters within the Parties' organizations is necessary or desirable;

2.2.3 participating as non-voting members of the JSC; and

2.2.4 performing such other functions as requested by the JSC.

2.3 **Joint Steering Committee**. Within [***] days of the Effective Date, the Parties shall establish a Joint Steering Committee (the "**JSC**") comprised of [***] employee representatives of Selecta and [***] employee representatives of Astellas. The JSC may elect to vary the number of representatives from time to time; *provided* that, unless otherwise agreed by the Parties in writing at the JSC, the JSC shall maintain an equal number of representatives from each Party. Each representative shall have the appropriate experience and expertise to perform their responsibilities on the JSC and at least one (1) representative shall have sufficient seniority within the applicable Party's organization to have the necessary decision making authority in order for the JSC to fulfill its responsibilities. Each Party may replace its representatives to the JSC at any time upon written notice to the other Party. The Alliance Managers may participate in the discussions

and meeting of the JSC, provided the Alliance Managers shall have no voting authority at the JSC. In addition, the JSC may invite other non-members to participate in the discussions and meetings of the JSC; *provided*, that such participants shall have no voting authority at the JSC and that any such non-employee participants are approved by the other Party (such approval not to be unreasonably withheld, delayed or conditioned) and bound by written obligations of non-use and confidentiality no less stringent than those set forth in Article 9 (Confidentiality).

2.4 **Committee Chair**. The JSC shall be chaired by [***] (the "**JSC Chair**"). The responsibilities of the JSC Chair shall include:

2.4.1 providing written notification to each Party at least [***] Business Days in advance of each JSC meeting, except in the case where such JSC meeting is scheduled with less than [***] Business Days advanced notice;

2.4.2 collecting and organizing agenda items for each JSC meeting and preparing the meeting agenda for such meeting; and

2.4.3 preparing the written minutes of each JSC meeting and circulating such minutes for review and approval by the Parties, and identifying any action items to be carried out by the Parties.

2.5 **JSC Meetings**. The JSC shall hold its first meeting within [***] days after the Effective Date. During the Term, the JSC shall meet on a [***] basis, either in person or by audio or video conference, at the JSC's election. Either Party may also call a special meeting of the JSC (by videoconference or teleconference) upon at least [***] Business Days' prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed before the next regularly scheduled JSC meeting, and such Party shall provide the JSC materials reasonably adequate to enable an informed discussion by its members no later than [***] Business Days before the special meeting; *provided* that the JSC may agree to waive such notification and timing requirements. Meetings of the JSC are effective only if at least [***] of the representatives of each Party are present at the meeting or participating by teleconference. The Parties shall endeavor to schedule meetings of the JSC at least [***] months in advance. The Parties shall agree on the minutes of each meeting promptly provided, that any minutes shall be deemed approved unless a JSC representative objects to the accuracy of such minutes within [***] Business Days after the circulation of the minutes.

2.6 **JSC Responsibilities**. During the Term, the JSC shall:

2.6.1 review, discuss and provide advice on the progress of the Xork Development Plan and the Astellas Development Plan;

2.6.2 review, discuss and determine whether to approve any material updates to the Xork Development Plan or Astellas Development Plan;

2.6.3 communicate regarding the status of the supply chain for Xork and the Xork Product and the development of the Manufacturing process for Xork and the Xork Product;

2.6.4 review and discuss updates to the Selecta Technology and Manufacturing of Xork and the Xork Product as provided pursuant to Section 3.6 (Transfer of Know-How) and 4.1 (Responsibility for Manufacturing);

2.6.5 form such other committees as the JSC may deem appropriate, including a joint development committee or joint manufacturing committee, *provided* that if any sub-committee was unable to reach agreement on a matter, such matter shall be submitted to the JSC for resolution;

2.6.6 attempt to resolve any disputes between the Parties on an informal basis; and

2.6.7 perform such other functions as expressly set forth in this Agreement or allocated to the JSC by a written amendment to this Agreement.

2.7 **JSC Decision-Making**.

2.7.1 **General Process**. The JSC shall only have the powers expressly assigned to it in this Article 2 (Governance) and elsewhere in this Agreement and shall not have the authority to (a) modify or amend the terms and conditions of this Agreement or (b) waive either Party's compliance with the terms and conditions of this Agreement. Regardless of the number of Selecta JSC committee members or Astellas JSC committee members, each Party shall have one (1) vote, and the JSC shall make decisions by consensus. Except as otherwise expressly set forth in this Agreement, the phrase "**determine,**" "**designate,**" "**confirm,**" "**approve,**" or "**determine whether to approve**" by the JSC and similar phrases used in this Agreement shall mean approval in accordance with this Section 2.7.1 (General Process), including the escalation and tie breaking provisions herein.

2.7.2 **Decisions of the JSC**. The JSC shall use good faith efforts, in compliance with this Section 2.7.2 (Decisions of the JSC), to promptly resolve any disagreement of the Parties and any matter for which the JSC has authority under this Agreement. If, after the use of good faith efforts, the JSC is unable to resolve any such matter that is within the scope of the JSC's authority or any other disagreement between the Parties that may be referred to the JSC, in each case, within a period of [***] days, then either Party may refer such matter for resolution in accordance with Section 2.7.3 (Resolution of JSC Disputes) to the Senior Executives.

2.7.3 **Resolution of JSC Disputes**. If a Party makes an election under Section 2.7.2 (Decisions of the JSC) to refer a matter on which the JSC cannot reach a consensus decision for resolution by the Senior Executives, then the JSC shall submit in writing the respective positions of the Parties to their respective Senior Executives. The Senior Executives shall use good faith efforts to resolve any such matter so referred to them as soon as practicable, and any final decision that the Senior Executives agree to in writing shall

be conclusive and binding on the Parties. If the Senior Executives are unable to reach agreement on any such matter referred to them within [***] days after such matter is so referred (or such longer period as the Senior Executives may agree upon), then, subject to Section 2.7.4 (Limitations on Decision Making) (a) Selecta shall have final decision making authority over any amendment to the Xork Development Plan, and (b) Astellas shall have final decision making authority over any amendment to the Astellas Development Plan.

2.7.4 **Limitations on Decision Making**.

i. **Selecta Final Decision-Making**. Notwithstanding anything to the contrary set forth in this Agreement, Selecta shall not have the right to exercise its final decision-making authority in any manner that would [***]

ii. **Astellas Final Decision-Making**. Notwithstanding anything to the contrary set forth in this Agreement, Astellas shall not have the right to exercise its final decision-making authority in any manner that would [***]

[***]

iii. **Development Disputes**. Notwithstanding the timelines otherwise set forth in this Section 2.7 (JSC Decision-Making), [***] (each a "**Development Dispute**"), then the Parties shall use good faith efforts to resolve such Development Dispute at the JSC within [***] Business Days. If the Development Dispute is not resolved at the JSC it shall be referred to the Senior Executives of each Party and such Senior Executives shall promptly meet (including via video conference) and attempt in good faith to resolve such Development Dispute. If the Development Dispute was not resolved within [***] Business Days of having been referred to the Senior Executives, either Party could refer the Development Dispute [***].

2.7.5 **Disbanding of JSC**. The JSC shall disband (a) upon the Parties' mutual written agreement, or (b) on the completion of all activities under the Xork Development Plan and Astellas Development Plan. Upon the termination of the JSC, the JSC shall have a final meeting thereafter to review the results of the Xork Development Plan and Astellas Development Plan and shall thereafter have no further authority with respect to the activities hereunder. After disbanding the JSC, the Parties shall make any decisions and have any discussions allocated to the JSC directly through the Alliance Managers, *provided* Section 2.7.4 shall still apply *mutatis mutandis*.

2.8 **Cost of Governance**. The costs incurred by each Party in connection with its Alliance Managers and its participation the JSC an any other committees or working groups shall be borne solely by such Party. Each Party shall be responsible for its own expenses relating to attendance at, or participation in, any meetings. All Third Party expenses incurred by the JSC in furtherance of a JSC meeting, such as expenses associated with off-site meetings, shall be shared equally by the Parties.

ARTICLE 3 GRANT OF LICENSE

3.1 **Grant of License**. Subject to the terms and conditions of this Agreement, Selecta (on behalf of itself and its Affiliates) hereby grants, and hereby causes its Affiliates to grant, to Astellas (a) an exclusive (even as to Selecta), upfront-, milestone-, and royalty-bearing, non- transferable (unless otherwise permitted subject to Section 15.1 (Assignment)) and sublicensable,

through multiple tiers (subject to Section 3.2 (Grant of Sublicense by Astellas)) right and license under the Selecta Technology to make, or have made, use, or have used, market, or have marketed, supply, offer for sale, or have offered for sale, sell, or have sold, export, or have exported, import, or have imported, research, Develop, Manufacture (solely upon exercise of the Manufacturing Option), Commercialize or otherwise Exploit Xork Products solely to the extent included as a component of an Astellas Combination Product in the Field in the Territory; *provided* that the Xork License shall not include the right to make, have made, or otherwise Manufacture Xork or any Xork Product unless and until Astellas exercises the Manufacturing Option pursuant to Section 4.4 (Manufacturing Option), and (b) a right of reference to any Regulatory Filings and Regulatory Approvals for Xork or Xork Products Controlled by Selecta or its Affiliates to exploit Astellas Combination Products (collectively, (a) and (b), the "**Xork License**").

3.2 **Grant of Sublicense by Astellas**. Subject to the terms and conditions of this Agreement, Astellas shall have the right to grant to any of its Affiliates or to any Third Parties, sublicenses, through multiple tiers, under the Xork License; *provided* that: (a) each sublicense agreement to a Sublicensee shall be in writing and consistent with the terms and conditions of this Agreement; (b) Astellas shall ensure that its Affiliates or Sublicensees comply with the terms and conditions of this Agreement; and (c) Astellas' grant of a sublicense shall not relieve Astellas of any of its obligations under this Agreement, so that (i) Astellas shall remain primarily liable to Selecta for any act or omission of an Affiliate or Sublicensee that would be a breach of this Agreement if performed or omitted by Astellas and (ii) Astellas shall remain responsible for the performance of all of Astellas' duties and obligations contained in this Agreement by its Affiliates or Sublicensees to the same extent as if such activities were conducted by Astellas, in particular for any payments due hereunder. Astellas shall provide notice to Selecta of any sublicense agreement entered into by it or its Affiliates to a Sublicensee, and, upon request of Selecta, Astellas shall provide Selecta with a copy of each such executed sublicense agreement in English language, which agreement may be redacted to remove any sensitive financial or commercial information not necessary for Selecta to determine compliance with this Agreement. For clarity, any ancillary sublicense granted to a subcontractor pursuant to Section 5.6 (Subcontracting) shall not be deemed a sublicense pursuant to this Section 3.2 (Grant of Sublicense by Astellas).

3.3 **Exclusivity**. During the Term, except for completing its obligations and exercising its rights under this Agreement, including the performance of activities under the Xork Development Plan, Selecta shall not, directly or indirectly through any Affiliate or Third Party (including through the granting of any license, sublicence, right of reference or other enabling activity) Develop, Manufacture, Commercialize, or otherwise Exploit Xork or any Xork Products in the Field in the Territory.

3.3.1 **Change of Control of Selecta**. In the event that Selecta or any of its Affiliates undergoes a Change of Control with a Third Party (an "**Acquirer**"), the restrictions set forth in Section 3.3 (Exclusivity) shall not apply to (a) any activities involving Xork or Xork Products, as applicable, that such Acquirer or the Acquirer's Affiliates (other than such Party or its Affiliates prior to such Change of Control) (each a "**New Affiliate**") Controls that would otherwise constitute a breach of Section 3.3 (Exclusivity) (collectively, "**Exclusivity-Related Activities**") being

performed wholly independent of this Agreement by the Acquirer or New Affiliates prior to the closing of the applicable Change of Control transaction, or (b) any Exclusivity-Related Activities undertaken by an Acquirer or New Affiliates upon or after the closing of the Change of Control transaction, in each case of (a) and (b), as long as (i) no Selecta Technology or Confidential Information of Astellas or its Affiliates is used by or on behalf of Selecta or Acquirer, as applicable, or their respective Affiliates in connection with any Exclusivity-Related Activities upon or after the closing of the Change of Control transaction, and (ii) Selecta, the Acquirer, and their respective Affiliates, institutes commercially reasonable safeguards to ensure the requirement set forth in the foregoing clause (i) are met, including by creating "firewalls" between the personnel working on such Exclusivity-Related Activities and the personnel working on the Xork Development Plan or having access to any Selecta Technology or Confidential Information of Astellas or its Affiliates.

3.3.2 **Acquisition of a Third Party by Selecta**. In the event that Selecta or any of its Affiliates merges or consolidates with, or otherwise acquires a Third Party (whether such transaction occurs by way of a sale of assets, merger, consolidation or similar transactions) that is performing any Exclusivity- Related Activities wholly independent of this Agreement prior to or at the closing of such transaction, then within [***] days from the closing of such transaction Selecta shall (a) divest or caused to have divested, whether by asset sale, exclusive license or otherwise, its interest in the products subject to such Exclusivity-Related Activities, (b) terminate the corresponding performance of any Exclusivity-Related Activities, or (c) pursuant to the terms of this Agreement, (i) amend the Xork Development Plan to include such Exclusivity-Related Activities under the terms of this Agreement, and (ii) mutually agree on and amend this Agreement as required to include such new product (including the license grants and other relevant provisions of this Agreement), and in each case ((a)-(c)), provide Astellas with written confirmation of such divestment, termination, or inclusion (and with respect to inclusion, agree on and execute the relevant amendments) within such [***] period. Until such divestment, termination, or inclusion is effective, the following shall apply:
(A) no Selecta Technology or Confidential Information of Astellas or its Affiliates shall be used by or on behalf of Selecta or the acquired entity, as applicable, or their respective Affiliates in connection with any Exclusivity- Related Activities upon or after the closing of the acquisition transaction, and (B) Selecta, the acquired entity, and their respective Affiliates, shall institute commercially reasonable safeguards to ensure the requirement set forth in the foregoing clause (A) are met, including by creating "firewalls" between the personnel working on such Exclusivity-Related Activities and the personnel working on the applicable Xork Development Plan or having access to any Selecta Technology or Confidential Information of Astellas or its Affiliates.

3.4 **Right of First Negotiation**.

3.4.1 **Notification and Exercise**. During the Term, if Selecta intends to grant rights to a Third Party for the Development or Commercialization of any Xork Product in any ROFN Field (as evidenced by the receipt of a term sheet from, offer or any written expression of interest or the intent to send a term sheet or other offer (whether written or oral) to, such Third Party for such grant), then, Selecta shall first provide Astellas with written notice (a "**ROFN Notice**"). Astellas shall have [***] days after receipt of such written notice to inform Selecta in writing whether Astellas wishes to exercise its Right of First Negotiation in such ROFN Field(s) (each such written notice, a "**Statement of Interest**"). Selecta shall be under no obligation to negotiate pursuant to the Right of First Negotiation unless and until it receives a Statement of Interest from Astellas within such [***] day period; *provided*, that Selecta may not negotiate with any Third Party during such [***] day period.

3.4.2 **ROFN Period**. Beginning on Astellas' delivery of a Statement of Interest and for [***] days thereafter, subject to extension by mutual agreement of the Parties, such extension not to be unreasonably withheld, conditioned or delayed (the "**Negotiation Period**"), Astellas shall have the exclusive right of first negotiation (a "**Right of First Negotiation**") to enter into an agreement with Selecta to amend this Agreement to add the ROFN Field to the Field and to add milestones, royalties, specified diligence obligations of Astellas to advance such Astellas Combination Products in such ROFN Field, and such other terms as may be agreed by the Parties. Until the expiration of such Negotiation Period, Selecta shall not discuss or negotiate the terms of any agreement with any Third Party that would grant such Third Party a license, grant or other transfer of rights with respect to Xork Products in the ROFN Field(s) subject to such Right of First Negotiation.

3.4.3 **Lapse of ROFN**. If Selecta provides Astellas a ROFN Notice in accordance with this Section 3.4 (Right of First Negotiation) and either (a) Astellas does not timely deliver a Statement of Interest, or (b) the Parties are unable to agree on the terms of any such agreement relating to such ROFN Field(s) by the end of the applicable Negotiation Period, then except as otherwise set forth in this Agreement, Astellas' Right of First Negotiation with respect to such ROFN Field(s) shall expire and Selecta shall be free to enter into an agreement with any Third Party relating to any license, grant or other transfer of rights with respect to such ROFN Field(s); *provided* that for a period of [***] months after the expiration of such Negotiation Period, Selecta and its Affiliates shall not enter into any agreement contemplating any license, grant or other transfer of rights with respect to Xork Products in such ROFN Field under terms that are, in the aggregate,

materially less favorable to Selecta than the terms last offered by Astellas to Selecta with respect to Xork Products in such ROFN Field.

3.5 **Encumbered Field Right of Negotiation**.

3.5.1 **Notification**. During the Term, (a) if Selecta intends to grant rights to a Third Party for the Development or Commercialization of any Xork Product in the Encumbered Field, then Selecta shall first provide Astellas with written notice of such intent, or (b) Astellas wishes to obtain rights under the Selecta Technology to make, or have made, use, or have used, market, or have marketed, supply, offer for sale, or have offered for sale, sell, or have sold, export, or have exported, import, or have imported, research, Develop, Manufacture, Commercialize or otherwise Exploit Xork Products solely to the extent included as a component of an Astellas Combination Product in the Territory in the Encumbered Field, Astellas shall provide written notice of such intent (each such notice in (a) and (b), an "**Encumbered Field Notice**").

3.5.2 **Exercise of Prior ROFN**. As of the Effective Date, Selecta has granted a right of first negotiation to a Third Party in the Encumbered Field (such right of first negotiation, the "**Prior ROFN**", and such Third Party, the "**Prior ROFN Holder**"). Upon Selecta sending or receiving an Encumbered Field Notice, subject to the terms of the Prior ROFN, Selecta shall provide notice to the Prior ROFN Holder under the Prior ROFN for the Encumbered Field. If (a) the Prior ROFN Holder does not exercise the Prior ROFN, or (b) Selecta and the Prior ROFN Holder are not able to come to terms on the Prior ROFN and Selecta is permitted to negotiate with third parties under the Prior ROFN, then Selecta shall provide notice to Astellas ("**Encumbered Field Availability Notice**"). If the Encumbered Field Notice was sent by Selecta pursuant to Section 3.5.1(a) (Notification), Astellas shall provide notice within [***] Business Days of Astellas' receipt of the Encumbered Field Availability Notice whether it is interested in exercising Astellas' Right of Encumbered Field Negotiation. If Astellas either does not provide such notice within such [***] Business Day period or provides notice that it is not interested in exercising Astellas' Right of Encumbered Field Negotiation, Astellas shall be deemed to have waived its Right of Encumbered Field Negotiation.

3.5.3 **Right to Negotiate for the Encumbered Field**. Beginning on Selecta's delivery of an Encumbered Field Availability Notice to Astellas and for [***] days thereafter, subject to extension by mutual agreement of the Parties, such extension not to be unreasonably withheld, conditioned or delayed (the "**Encumbered Field Negotiation Period**"), subject to the Prior ROFN, Astellas shall have the exclusive right of first negotiation (a "**Right of Encumbered Field Negotiation**"), to enter into an agreement with Selecta to amend this Agreement to add the Encumbered Field to the

Field and to add milestones, royalties, specified diligence obligations of Astellas to advance such Astellas Combination Products in such Encumbered Field, and such other terms as may be agreed by the Parties. Such Agreement shall be subject to the requirements of the Prior ROFN, including any provisions that the terms granted to Astellas under the Right of Encumbered Field Negotiation be in the aggregate materially no less favorable to Selecta than the last terms offered by the Prior ROFN Holder. Upon receipt of an Encumbered Field Availability Notice, Selecta and Astellas shall use good faith efforts to exclusively negotiate and execute one or more agreements contemplating such grant of rights to Astellas with respect to the Encumbered Field. During the Encumbered Field Negotiation Period, Selecta shall not discuss or negotiate the terms of any agreement with any Third Party that would grant such Third Party a license, grant or other transfer of rights with respect to Xork Products in the Encumbered Field.

3.5.4 **Lapse of Encumbered Field Negotiation Right**. If Selecta provides Astellas an Encumbered Field Availability Notice in accordance with this Section 3.5 (Encumbered Field Right of Negotiation) and either (a) Astellas waives its Right of Encumbered Field Negotiation pursuant to Section 3.5.1 (Notification), or (b) the Parties are unable to agree on the terms of any such agreement relating to the Encumbered Field by the end of such Encumbered Field Negotiation Period, then except as otherwise set forth in this Agreement, Astellas' Right of Encumbered Field Negotiation with respect to the Encumbered Field(s) shall expire and, subject to the Prior ROFN, Selecta shall be free to enter into an agreement with any Third Party relating to any license, grant or other transfer of rights with respect to the Encumbered Field.

3.6 **Transfer of Know-How**. Within [***] days of the Effective Date, Selecta shall, and shall cause its Affiliates to, without additional compensation, disclose and make available to Astellas, in such reasonable form as Astellas may reasonably request, the Selecta Technology and Regulatory Documentation, and thereafter at each meeting of the JSC (if in existence) or [***] per Fiscal Quarter during a meeting of the Alliance Managers, Selecta shall use reasonable efforts to disclose any updates to the Selecta Technology, but in each case excluding any such Selecta Technology and Regulatory Documentation to the extent related to the Manufacturing of Xork or the Xork Product.

3.7 **License to Astellas Arising IP**. Astellas hereby grants Selecta a non-exclusive, perpetual, non-terminable, royalty-free, fully paid-up sublicensable license under the Astellas' Arising IP to make, have made, use, import, export, offer for sale, sell and have sold Xork or Xork Products outside of the Field.

3.8 **Retained Rights; Upstream License**. Notwithstanding anything stated herein to the contrary, Astellas acknowledges that Selecta prior to the Effective Date has entered into the

Upstream License and all rights and licenses granted by Selecta hereunder are expressly subject to the Upstream License.

3.9 **No Implied License; No Trademark Rights**. No right or license is granted to Astellas hereunder by implication, estoppel, or otherwise to any Know-How, Patent Right or other intellectual property right owned or Controlled by Selecta or its Affiliates. No right, express or implied, is granted by this Agreement to a Party to use in any manner the name or any other trade name or trademark of the other Party in connection with the performance of this Agreement or otherwise except as set forth in Section 5.7 (Trademarks).

ARTICLE 4 MANUFACTURING

4.1 **Responsibility for Manufacturing**. Subject to Section 4.4 (Manufacturing Option), as between the Parties, Selecta shall solely lead, control, and be responsible for the Manufacture of the Xork and Xork Products in the Territory. Selecta shall use Commercially Reasonable Efforts to Manufacture and supply, either itself or through an Affiliate or a contract manufacturing organization ("**CMO**"), all supplies of Xork and Xork Products for both Parties' Development and Commercialization activities conducted in the Territory in accordance with the Astellas Development Plan, the Xork Development Plan, the Clinical Supply Agreement, and the Commercial Supply Agreement. At each meeting of the JSC or [***] per Fiscal Quarter during a meeting of the Alliance Managers (if the JSC is no longer in existence), [***]. Schedule 4.1 (Selecta CMOs) sets forth a list of all CMOs used by Selecta in the Manufacture of the Xork Product as of the Effective Date. Selecta shall provide Astellas at least [***] days prior written notice of any new CMO proposed to be used by Selecta and provide an updated Schedule 4.1 (Selecta CMOs).

4.2 **Clinical Supply Agreement**. Promptly after the Effective Date, the Parties shall negotiate in good faith and enter into a clinical supply agreement (the "**Clinical Supply Agreement**"), and a related quality agreement, which agreements shall be consistent with the material terms and conditions set forth on Schedule 4.2 (Key Terms and Conditions for Supply Agreements) and will otherwise contain terms and conditions that are customary in the biopharmaceutical industry and which shall govern the terms and conditions of the Manufacturing and supply of the Xork and Xork Product for Development activities under the Astellas Development Plan. If the Parties have not agreed on the terms for the Clinical Supply Agreement within [***] days, either Party may refer such matter to the Senior Executives of each Party and such Senior Executives shall promptly meet (including via video conference) and attempt in good faith to resolve such matter. If the Senior Executives are unable to agree on the terms of a Clinical Supply Agreement within [***] Business Days of such matter having been referred to the Senior Executives, either Party could refer the determination of the terms of the Clinical Supply Agreement [***].

4.3 **Commercial Supply Agreement**. No later than [***] months prior to the anticipated filing for the first Regulatory Approval for an Astellas Combination Product, the Parties shall negotiate in good faith and enter into a commercial supply agreement (the "**Commercial Supply Agreement**"), and a related quality agreement, which agreements shall be consistent with the material terms and conditions set forth on Schedule 4.2 (Key Terms and Conditions for Supply Agreements) and will otherwise contain terms and conditions that are customary in the biopharmaceutical industry and which shall govern the terms and conditions of the Manufacturing and supply of the Xork and Xork Product for Commercialization activities under this Agreement. If the Parties have not agreed on the terms for the Commercial Supply Agreement within [***] days, either Party may refer such matter to the Senior Executives of each Party and such Senior Executives shall promptly meet (including via video conference) and attempt in good faith to resolve such matter. If the Senior Executives are unable to agree on the terms of a Commercial Supply Agreement within [***] Business Days of such matter having been referred to the Senior Executives, either Party may refer the determination of the terms of the Commercial Supply Agreement [***].

4.4 **Manufacturing Option**. In the event of a Supply Failure under the Clinical Supply Agreement or Commercial Supply Agreement, Astellas shall have the option to assume responsibility for the manufacturing of Xork or the Xork Products for use in an Astellas Combination Product ("**Manufacturing Option**"). Immediately following a Supply Failure under the Clinical Supply Agreement or Commercial Supply Agreement, Astellas may exercise the Manufacturing Option by providing written notice to Selecta. For clarity, if a Supply Failure occurs, Astellas may exercise the Manufacturing Option even if Selecta was not in breach of its obligation to use Commercially Reasonable Efforts to Manufacture and supply Xork or the Xork Products.

4.5 **Technology Transfer Following Manufacturing Option Exercise**.

4.5.1 In the event of a Supply Failure and Astella's subsequent exercise of the Manufacturing Option, Selecta shall transfer or have transferred to Astellas or a Third Party contract manufacturer designated by Astellas all Selecta Know-How then Controlled by Selecta or its Affiliates that is reasonably necessary or useful to enable the Manufacture of Xork and Xork Products then-currently used in Astellas Combination Products at the then-current scale with acceptable minimum process parameters such as yield, quality, titer, cycle time, and any comparability activities as needed. Each such Know-How transfer requested by Astellas for itself or a Third Party contract manufacturer ("**Technology Transfer**") shall be commenced within [***] days following the exercise of the Manufacturing Option and conducted pursuant to an agreed technology transfer plan to be developed by the Parties (with input from the Third Party contract manufacturer, as applicable) and overseen by the JSC (if still in existence) or the Alliance Managers for the purpose of ensuring the complete and timely transfer of such Know-How. The Parties shall use Commercially Reasonable Efforts to complete each Technology Transfer (i.e., successful Manufacturing at the same scale of production) within [***] months following the exercise of

the Manufacturing Option. [***]

4.5.2 In conducting the Technology Transfer:

i. Selecta shall, at its cost, cause the employees and representatives of Selecta and its Affiliates that [***] to meet with employees or representatives of Astellas (or its designee) at the applicable manufacturing facility at mutually convenient times to assist with the working up and use of the Manufacturing process, to support and execute the transfer of all applicable analytical methods and the validation thereof, and to assist with the training of the personnel of Astellas (or its designee) to the extent necessary or useful to enable Astellas (or its designee) to use and practice the Manufacturing process as permitted under this Agreement; and

ii. Selecta shall, at its cost, take reasonable steps, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to take such steps (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under new master services agreements or other similar agreements entered into following the Effective Date), to cooperate with and assist Astellas (or its Affiliate or designated Third Party manufacturer, as applicable) in obtaining any necessary licenses, permits or approvals from Regulatory Authorities with respect to the Manufacture of the Xork and Xork Products used in Astellas Combination Products at Astellas' designated facilities.

iii. After Selecta has completed a Technology Transfer, during the Term, and no more than [***] per Fiscal Quarter, Selecta shall disclose and make available to Astellas or its designee through the JSC (if still in existence) or the Alliance Managers any additional material Manufacturing-related Selecta Know-How that have not been previously transferred to Astellas and that is necessary or useful for Astellas to use and practice the Manufacturing process, and shall provide such other assistance as Astellas may reasonably request that is necessary or useful to enable Astellas (or its designee) to use and practice such additional Know-How and otherwise proceed with the Manufacture of the Xork and Xork Products used in Astellas Combination Products thereafter during the Term in accordance with this Agreement.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

ARTICLE 5
DEVELOPMENT, MANUFACTURING AND COMMERCIALIZATION

5.1 **Xork Development**.

5.1.1 **Development**. Subject to the terms and conditions of this Agreement, including the rights granted to Astellas in the Field, Selecta shall have the exclusive right and responsibility to research and Develop Xork Products and to conduct (either itself or through its Affiliates or Sublicensees, including subcontractors) all Clinical Trials and non-clinical studies that are necessary or useful to obtain Regulatory Approval for Xork Products in the Territory.

5.1.2 **Xork Development Plan**. The Development of Xork Products relating to their use in the Field shall be governed by a development plan that describes the proposed overall program of Development, the Development assumptions, Development steps and personnel commitment of Selecta which shall in particular include, [***] (the "**Xork Development Plan**"). The initial Xork Development Plan is attached hereto as Schedule 5.1.2 (Xork Development Plan).

5.1.3 **Costs and Budgeting**. The initial Xork Development Plan includes an estimated initial budget for activities to be conducted by Selecta, which Selecta, in consultation with Astellas through the JSC, shall finalize within [***] months of the Effective Date (such finalized budget, the "**Xork Development Plan Budget**") and Astellas shall reimburse Selecta for [***] of all costs actually incurred by Selecta or its Affiliates in the conduct of activities performed in accordance with the Xork Development Plan; *provided* that (a) Astellas shall not be obligated to reimburse Selecta for any portion of costs incurred during any Fiscal Year in the conduct of activities under the Xork Development Plan in excess of [***] of the Xork Development Plan Budget for such Fiscal Year, and (b) Selecta shall be solely responsible for all such excess expenses above [***] of the Xork Development Plan Budget incurred during such Fiscal Year, unless otherwise agreed in writing by Astellas. Selecta shall be responsible for all remaining costs and expenses incurred in the performance of the Xork Development Plan.

5.1.4 **Amendments to the Xork Development Plan**. If Selecta wishes to make any material update to the Xork Development Plan, [***] Any such material update to the Xork Development Plan shall be subject to the JSC's prior approval (and the decision-making rights set forth in Section 2.7.3 (Resolution of JSC Disputes)).

5.1.5 **Updates on Development**. No less frequently than [***], Selecta shall provide the JSC with an update on the Development activities under the Xork Development Plan, including the completion or cessation of Development activities or commencement of new Development activities. Such [***] update shall contain at least the information as set forth in Schedule 5.1.5 (Development Progress Report).

5.1.6 **Astellas Assistance**. As more fully set forth in the Xork Development Plan, Selecta shall discuss with Astellas the design and execution of that certain planned [***] study assessing the use of a Xork Product in healthy volunteers, and shall consider in good faith Astellas' recommendations regarding the design and execution of such study.

5.1.7 **Diligence by Selecta**. Selecta shall exercise Commercially Reasonable Efforts to complete the activities in the Xork Development Plan in accordance with the timelines set forth in the then-current Xork Development Plan.

5.1.8 **Xork Development Outside of the Xork Development Plan**. Nothing in this Agreement shall restrict Selecta from conducting research and Development activities relating to Xork and Xork Products outside the Field or outside the Xork Development Plan.

5.2 **Astellas Combination Product Development**.

5.2.1 **Development**. Astellas shall have the exclusive right and responsibility to research and Develop Astellas Combination Products and to conduct (either itself or through its Affiliates or Sublicensees, including subcontractors) all Clinical Trials and non-clinical studies that are necessary or useful to obtain Regulatory Approval for Astellas Combination Products in the Territory. Astellas shall be responsible for all costs and expenses incurred in connection with the Development of any Astellas Combination Products in the Field in the Territory.

5.2.2 **Astellas Development Plan**. The Development of Astellas Combination Products shall be governed by a development plan that describes the

proposed overall program of Development and which shall in particular include, [***] (the "**Astellas Development Plan**"). The initial Astellas Development Plan is attached hereto as Schedule 5.2.2 (Astellas Development Plan). Notwithstanding the foregoing, the Astellas Development Plan is not required to include any non-clinical or clinical studies related to an Astellas Product.

5.2.3 **Amendments to the Astellas Development Plan**. If Astellas wishes to make any material update to the Astellas Development Plan, [***]. Any such material update to the Astellas Development Plan shall be subject to the JSC's prior approval (and the decision-making rights set forth in Section 2.7.3 (Resolution of JSC Disputes)).

5.2.4 **Updates on Development**. No less frequently than [***], Astellas shall provide the JSC with an update on the Development activities, whereas such updates shall take into account the progress and status of Development of each Astellas Combination Product, including the completion or cessation of Development activities or commencement of new Development activities. Such [***] update shall contain at least the information as set forth in Schedule 5.1.5 (Development Progress Report).

5.2.5 **Selecta Assistance**. Upon Astellas' reasonable request and as set forth more fully in the Astellas Development Plan, Selecta shall reasonably assist Astellas with the design and execution of studies in the Astellas Development Plan solely to the extent such assistance relates to the use of the Xork Product. Astellas shall consider in good faith Selecta's recommendations regarding the design and execution of any studies included in the Astellas Development Plan.

5.3 **Commercialization by Astellas**.

5.3.1 Subject to the terms and conditions of this Agreement, Astellas shall have the exclusive right and responsibility to Commercialize Astellas

Combination Products in the Field in the Territory (either itself or through its Affiliates or Sublicensees), including, to the extent allowed by Applicable Law, setting pricing and discounting terms for the Astellas Combination Product. Astellas shall be responsible for all costs and expenses incurred in connection with the Commercialization of Astellas Combination Products in the Field in the Territory.

5.3.2 The Commercialization of each Astellas Combination Product shall be supported by a commercialization plan that describes the proposed overall program of Commercialization for the Major Markets, [***] "**Commercialization Plan**"). The first Commercialization Plan shall be prepared by Astellas [***] months prior to the expected date of the First Commercial Sale of an Astellas Combination Product and shall provide such other scope of detail as agreed by the Parties acting in good faith. [***] following the First Commercial Sale in the Major Markets, Astellas shall provide to Selecta an updated Commercialization Plan reflecting any material changes to such plan.

5.3.3 [***]

5.4 **Diligence by Astellas**. Astellas shall exercise Commercially Reasonable Efforts to (a) Develop and obtain Regulatory Approval for one Astellas Combination Product in the Field in each of the Major Markets consistent with the Astellas Development Plan, and (b) to Commercialize an Astellas Combination Product in the Field in each of the Major Markets for which such Astellas Combination Product achieves Regulatory Approval.

5.5 **Record Keeping**.

5.5.1 Astellas shall maintain complete and accurate books and records pertaining to its Development and Commercialization of Astellas Combination Products hereunder, in sufficient detail to verify compliance with its obligations under this Agreement, which books and records shall be in compliance with Applicable Law and properly reflect all work done and results achieved in the performance of its Development and Commercialization activities. Such records shall be retained by Astellas for

at least [***] years after the end of the period to which such records pertain or for such longer period as may be required by Applicable Law.

5.5.2 Selecta shall maintain complete and accurate books and records pertaining to its Development of Xork and Xork Products hereunder (including in connection with the Xork Development Plan), in sufficient detail to verify compliance with its obligations under this Agreement, which books and records shall be in compliance with Applicable Law and properly reflect all work done and results achieved in the performance of its Development activities. Such records shall be retained by Selecta for at least [***] years after the end of the period to which such records pertain or for such longer period as may be required by Applicable Law.

5.6 **Subcontracting**. Subject to Section 3.2 (Grant of Sublicense by Astellas), Astellas shall have the right to engage Affiliates or Third Party subcontractors to perform specific tasks and obligations reasonably related to its activities under this Agreement. Any Affiliate or Third Party subcontractor to be engaged by Astellas hereunder shall meet the qualifications typically required by Astellas for the performance of work similar in scope and complexity to the subcontracted activity.

5.7 **Trademarks**. Astellas shall have the sole authority to select trademarks for the Astellas Combination Products and shall be solely responsible, at its sole cost and expense, for the establishment, maintenance, prosecution, enforcement and defense of any such trademark. Selecta shall not be able to claim any right on such trademark of Astellas, and shall not adopt or use, register or attempt to register in the Territory any trademark, trade name, domain name, or similar commercial symbol that includes, or is confusingly similar to, Astellas' trademarks used in connection with any Astellas Combination Product. Astella may use Selecta's Corporate Marks solely the extent required to comply with Applicable Law, provided that, if Astellas uses such marks, the provisions of Schedule 5.7 (Trademarks) shall apply.

ARTICLE 6 REGULATORY MATTERS

6.1 **Regulatory Filings for Xork Products**. As between the Parties, Selecta shall be solely responsible, at its own cost, for obtaining and shall own and maintain all Regulatory Filings and Regulatory Approvals for Xork Products in the Territory, including any orphan drug designation (and related tax benefits), orphan drug exclusivity, biosimilar exclusivity and Priority Review Vouchers. [***]

[***]. Selecta shall keep Astellas informed regarding all key regulatory activities relating to Xork Products, including Regulatory Filings, Regulatory Approvals, audit reports and meetings with Regulatory Authorities. Selecta shall provide Astellas a right to review and comment on any Regulatory Approvals [***] and Selecta shall consider in good faith Astellas' comments. [***] Selecta shall, to the extent practicable, provide Astellas at least [***] Business Days' prior written notice of any meeting with a Regulatory Authority and, to the extent permitted by Applicable Law, and unless otherwise infeasible, Selecta shall permit Astellas to participate in any meeting with Regulatory Authorities solely related to the use of Xork in the Field.

6.2 **Regulatory Filings for Astellas Products and Astellas Combination Products**. As between the Parties, Astellas shall be solely responsible, at its own cost, for obtaining and shall own and maintain all Regulatory Filings and Regulatory Approvals for the Astellas Products and the Astellas Combination Products (other than approvals for Xork Product(s) as part of an Astellas Combination Product that is a Cross-Labeled Product, which Selecta shall obtain and maintain pursuant to Section 6.1 (Regulatory Filings for Xork Products)) in the Territory, including any orphan drug designation (and related tax benefits), orphan drug exclusivity, biosimilar exclusivity and Priority Review Vouchers. Astellas shall keep Selecta reasonably informed regarding all key regulatory activities relating to Astellas Combination Products, including with respect to any material Regulatory Filings, Regulatory Approvals, audit reports and meetings with Regulatory Authorities. Astellas shall provide Selecta a right to review and comment on any applications for Regulatory Approvals [***] and Astellas shall consider in good faith Selecta's comments. Astellas shall, to the extent practicable, provide Selecta at least [***] Business Days' prior written notice of any meeting with a Regulatory Authority regarding an Astellas Combination Product and, to the extent permitted by Applicable Law, and unless otherwise impractical, Astellas shall permit Selecta to participate in any meeting with Regulatory Authorities regarding an Astellas Combination Product in the Major Markets but only if Astellas reasonably believes that Xork will be a material part of the discussion.

6.3 **Selecta Assistance**. Upon Astellas' reasonable request, Selecta shall provide Astellas such information or data related to Xork which Selecta then Controls, to the extent such information or data is required by the applicable Regulatory Authority in connection with Astellas obtaining or maintaining Regulatory Approval for Astellas Combination Products; provided, however, if the information requested relates to analytical and quality control data, stability data, and other chemistry, manufacturing and control data, then, at Selecta's option, and upon prior written notice to Astellas, Selecta may provide such information or data directly to the applicable Regulatory Agency, in which case, Selecta shall notify Astellas in writing once such information or data has been provided. Selecta shall use reasonable efforts to provide such data prior to any timelines requested by the applicable Regulatory Authority.

6.4 **Right of Reference**. Selecta hereby grants to Astellas a right of reference to, and a right to use, any Regulatory Filings and Regulatory Approvals for Xork or Xork Products Controlled by Selecta or its Affiliates to the extent reasonably necessary for Astellas, its Affiliates, and its Sublicensees to Exploit Astellas Combination Products in the Field. Selecta shall execute such documents or instruments reasonably required to provide such right of reference or right of use promptly following written request by Astellas.

6.5 **Safety Reporting and Pharmacovigilance**. The Parties shall comply with any and all Applicable Laws in connection with the collection and reporting of safety data related to Xork Products. Prior to the Initiation of the first Clinical Trial under the Astellas Development Plan, Astellas and Selecta shall execute a pharmacovigilance agreement for the reporting of safety information related to Xork or a Xork Product; *provided* that Selecta shall be the holder of any global safety database related to solely to Xork. Astellas shall be solely accountable for reporting all safety information required to be submitted to the concerned Regulatory Authorities, ethics committees, institutional review boards or investigators as required by Applicable Laws related to Astellas Combination Products. Where applicable and when applicable, Astellas shall be solely responsible for pharmacovigilance activities related to Astellas Combination Products in the respective country(ies) according to Applicable Laws. Selecta shall be solely responsible for reporting all safety information required to be submitted to the concerned Regulatory Authorities, ethics committees, institutional review boards or investigators as required by Applicable Laws related to the Xork Product.

6.6 **Recalls**. Each Party shall make every reasonable effort to notify the other Party if it reasonably believes that any event, incident, or circumstance has occurred that may result in the need for a recall, market suspension, or market withdrawal of the Xork Product or an Astellas Combination Product in the Field in the Territory, and shall include in such notice the reasoning behind such belief, and any supporting facts. As between the Parties, (a) Selecta shall have the right to make the final determination whether to implement any such recall, market suspension, or market withdrawal with respect to a Xork Product in the Field in the Territory, including any Xork Product that is part of an Astellas Combination Product that is a Cross-Labeled Product (as opposed to a Combination Product), and shall have the sole right to undertake and control all such recalls, and

(b) Astellas shall have the right to make the final determination whether to implement any such recall, market suspension, or market withdrawal with respect to an Astellas Combination Product in the Field in the Territory, excluding any Xork Product that is part of an Astellas Combination Product that is a Cross-Labeled Product (as opposed to a Combination Product), and shall have the sole right to undertake and control all such recalls. For all recalls, market suspensions or market withdrawals undertaken pursuant to this Section 6.6 (Recalls), the other Party shall reasonably cooperate in all such recall, market suspension or market withdrawal efforts, as applicable, at its sole expense. Each Party shall bear its own expenses in connection with any recall, market suspension or market withdrawal; *provided*, *however*, if the cause of such recall, market suspension or market withdrawal was as a result of any breach of this Agreement, the Clinical Supply Agreement or the Commercial Supply Agreement by a Party, then the breaching Party shall solely bear the cost of any such recall, market suspension or market withdrawal.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

ARTICLE 7 FINANCIAL TERMS

7.1 **Upfront Payment**. In partial consideration for the grant of the rights hereunder, Astellas shall pay to Selecta the non-refundable, non-creditable sum of ten million US Dollars ($10,000,000) (the "**Upfront Payment**") within [***] days following receipt of an invoice from Selecta, such invoice to be issued on or promptly after the Effective Date.

7.2 **Milestone Payments**. As further partial consideration for the grant of the rights hereunder, Astellas shall pay or cause to be paid to Selecta the non-refundable Milestone Payments with respect to any Astellas Combination Product achieving a Milestone Event, in each case in accordance with the following provisions:

7.2.1 **Notification**. Selecta shall notify Astellas in writing of the achievement of any of Milestone Events No. 1 or No. 2. Astellas shall notify Selecta in writing of the achievement (a) of any of the Milestone Events No. 3 to No. 6 promptly, but no later than within [***] days upon achievement; and (b) of any the Milestone Events No. 7 to No. 10 promptly, but no later than within [***] days upon the end of the Fiscal Year in which such Milestone Event was achieved.

7.2.2 **Payment Terms for Milestone Payments**. Astellas shall pay any Milestone Payments corresponding to any of the Milestone Events to Selecta within [***] days upon receipt of a corresponding invoice from Selecta for such Milestone Payment, whereby Selecta shall issue such invoice to Astellas promptly upon either issuance of the relevant notice to Astellas or receipt of the relevant notification from Astellas pursuant to Section 7.2.1 (Notification).

7.2.3 **Clarifications on Development and Launch Milestones Events**. Each Milestone Payment No. 1 to No. 6 shall be paid only once for the first Astellas Combination Product achieving any such Milestone Event.

7.2.4 **Clarifications on Commercial Milestone Events**. Each Milestone Payment for a commercial Milestone Event No. 7 to No. 10 shall be made only once, regardless of the number of Fiscal Years in which such commercial Milestone Event in achieved. The achievement of a higher commercial Milestone Event shall trigger the payment of a lower commercial Milestone Event, if such lower commercial Milestone Event had not been triggered prior to achievement of the higher commercial Milestone Event. For example, [***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

7.3 **Milestone Events and Milestone Payments**

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

7.4 **Royalty**.

7.4.1 **Royalty Rate**. As further partial consideration for Selecta's grant of the rights and licenses to Astellas hereunder, Astellas shall, during each applicable Royalty Term, on an Astellas Combination Product-by-Astellas Combination Product basis, pay to Selecta royalties on worldwide aggregate annual Net Sales of each Astellas Combination Product in the Territory for each Fiscal Year at the royalty rates set forth in the table below.

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***]

7.4.2 **Royalty Term**. Royalties shall be payable, on an Astellas Combination Product-by-Astellas Combination Product and country-by-country basis, from the date of First Commercial Sale of a given Astellas Combination Product in a given country until the later of (a) [***] years after the First Commercial Sale of such Astellas Combination Product in such country, or
(b) the expiration or invalidation of the last remaining Valid Claim Covering the Xork Product in such Astellas Combination Product in such country ("**Royalty Term**").

7.4.3 **Reduction of Royalties**.

i. **No Valid Claim**. On a country-by-country and Fiscal Quarter-by- Fiscal Quarter basis, if the Xork Product in an Astellas Combination Product is not Covered by a Valid Claim, then the royalties on Net Sales of such Astellas Combination Product due under Section 7.4.1 (Royalty Rate) in such Fiscal Quarter shall be reduced by [***] in a given country.

ii. **Generic Competition**. In the event that in any country in the Territory during the Royalty Term for an Astellas Combination Product there is Biosimilar Competition in such country for a Fiscal Quarter, then commencing in such Fiscal Quarter for such Astellas Combination Product in such country and thereafter, the royalties on Net Sales of an Astellas Combination Product in such country due under Section 7.4.1 (Royalty Rate) shall be reduced by [***].

iii. **Third Party Payments**. If Astellas enters into a Third Party License Agreement, Astellas shall be entitled to deduct from the royalties payable to Selecta under Section 7.4.1 (Royalty Rate) in a Fiscal Quarter an amount equal to [***] of any amounts paid by Astellas in such Fiscal Quarter pursuant to such Third Party License Agreement(s) (but solely to the extent such payment pertains to the use of Xork and not any other product) in respect of the Astellas Combination Products which gave rise to the payment

obligation under Section 7.4.1 (Royalty Rate). For clarity, Selecta shall be responsible for all payments arising under the Upstream License and any such payments by Selecta shall not entitle Astellas to offset such amounts against royalties payable to Selecta.

iv. **Floor on Payment Reductions**. The royalties on Net Sales of an Astellas Combination Product in a country due under Section 7.4.1 (Royalty Rate) may not be reduced by more than [***]

7.5 **Royalty Reports**.

7.5.1 **Reporting**. Commencing with the Fiscal Quarter in which the First Commercial Sale of an Astellas Combination Product is made by Astellas or its Affiliate or Sublicensee, Astellas shall submit to Selecta with each royalty payment a reasonably detailed, written report detailing its computation of royalties due on Net Sales in each country during each Fiscal Quarter within [***] days after the end of each Fiscal Quarter (and Astellas shall cause its Affiliates and Sublicensees to submit royalty reports containing the same level of detail), whereas the report shall indicate: (a) the amount of Net Sales of Astellas Combination Products sold by Astellas, its Affiliates and Sublicensees during the reporting period; (b) the royalties due thereon; (c) the exchange rates used in determining the amount of US Dollars; and (d) the reductions taken under Section 7.4.3 (Reduction of Royalties).

7.5.2 **Disputes regarding Reports**. In the event of a dispute regarding the royalty reports, the Parties shall work in good faith to resolve the dispute. If the Parties are unable to resolve the dispute within [***] weeks following a Party's notification of dispute, the dispute shall be submitted for decision to a certified public accounting firm mutually selected by each Party's certified public accountants or to such other Third Party as the Parties shall mutually agree. The decision of such expert shall be final and the costs of such decision shall be borne between the Parties in such manner as such expert shall determine. Not later than [***] days after such decision and in accordance with such decision, Astellas shall make any additional payments to Selecta. Any overpayment shall be credited against future amounts due by Astellas to Selecta.

7.5.3 **Record Retention, Inspection**. Astellas shall keep or cause its Affiliates and Sublicensee to keep complete and accurate records in sufficient detail to enable Net Sales and royalties payable under Section 7.4 (Royalty) to be established for a period of [***] years after the date that such royalties were payable. Such records shall be consistent with Astellas' normal accounting principles. At the request of Selecta (but not more frequently than [***]) an independent chartered or certified public

accountant chosen by Selecta but approved by Astellas (which approval shall not be unreasonably withheld, conditioned or delayed) shall be allowed access, during ordinary business hours, to such records for the period requested by Selecta solely to verify the accuracy of any payments made to Selecta under Section 7.4 (Royalty). The accountant shall not disclose to Selecta any information other than that which should properly be contained in a report of matters relevant to Net Sales and royalty calculation and payment arising under Section 7.4 (Royalty) above. In the case of Sublicensees, Astellas shall use reasonable efforts to cause such Sublicensees' records to be available to the same extent Astellas' records are available pursuant to this Section 7.5.3 (Record Retention, Inspection). Any inspection conducted under this Section 7.5.3 (Record Retention, Inspection) shall be at the expense of Selecta, unless such inspection reveals any underpayment of the payments due hereunder for the audited period by at least the greater of (a) [***] and (b) [***], in which case the full costs of such inspection for such period shall be borne by Astellas. Any underpayment shall be paid by Astellas to Selecta within [***] days of written notice with interest on the underpayment at the rate specified in Section 7.7.4 (Late Payments) from the date such payment was originally due. Any overpayment shall be credited against future amounts due by Astellas to Selecta. Upon conclusion of any audit under this Section 7.5.3 (Record Retention, Inspection) and the payment of any additional amounts or reimbursement of any excess amounts (in each case, if applicable), the calculation of royalties payable with respect to such period shall be binding and conclusive.

7.6 **Xork Development Plan Budget Reimbursement**. Astellas shall reimburse Selecta for its proportion of the costs incurred under the Xork Development Plan in accordance with Section 5.1.3 (Costs and Budgeting) within [***] days following receipt of an invoice from Selecta, such invoice to be issued on or promptly after the end of each Fiscal Quarter.

7.7 **Payment Terms**.

7.7.1 **General**. All payments to Selecta hereunder shall be made by deposit of US Dollars in the requisite amount to such bank account indicated in the respective invoice from Selecta or as Selecta may from time to time otherwise designate by written notice to Astellas. The Parties may vary the method of payment set forth herein at any time upon mutual agreement, and any change shall be consistent with the Applicable Laws at the place of payment or remittance.

7.7.2 **Conversion**. With respect to sales not denominated in US Dollars, royalty amounts owed shall first be calculated in the currency of sale, and then such amounts shall be converted into US Dollars at an exchange rate equal to the trailing [***]-month average of the daily end of day rate in New York

per the Bloomberg News (or a similar rate if such rate is no longer available).

7.7.3 **Payment of Royalties**. Simultaneous with the delivery of the report described in Section 7.5.1 (Reporting) hereof, Astellas shall pay, or cause to be paid, to Selecta at such place as Selecta may from time to time designate in writing, all royalties earned pursuant to this Section 7.4 (Royalty) in the preceding Fiscal Quarter. All such payments shall be made in US Dollars.

7.7.4 **Late Payments**. In the event that any payment due under this Agreement is not made when due, the payment shall accrue interest from the date due at the rate of [***] plus the prime interest rate quoted by The Wall Street Journal, Internet U.S. Edition at www.wsj.com, calculated on the number of days such payment is delinquent, compounded annually; *provided*, *however*, that in no event shall said annual interest rate exceed the maximum rate permitted by Applicable Law. The payment of such interest shall not limit Selecta from exercising any other rights it may have as a consequence of the lateness of any payment.

7.8 **Taxes**.

7.8.1 **Taxes**. Except as set forth in this Section 7.8 (Taxes) or Section 7.9 (VAT Credits), each Party shall be solely responsible for the payment of any and all Taxes levied on account of all payments it receives under this Agreement. Any and all payments due to Selecta from Astellas pursuant to this Agreement shall be paid without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law requires the deduction or withholding of any Tax from any such payment, then Astellas (or its applicable withholding agent) shall be entitled to make such deduction or withholding and any such withholding shall be deemed as if paid to Selecta. Within [***] days after deduction or withholding of any Taxes by Astellas on any payment to Selecta, Astellas shall provide to Selecta a report detailing the Taxes due and paid by Astellas with respect to such payment made by Astellas to Selecta.

7.8.2 **Tax Cooperation**. The Parties shall cooperate with one another in accordance with Applicable Law and use reasonable best efforts to minimize Tax withholding or similar obligations in respect of equity investment, royalties, milestone payments, and other payments made by each Party to the other Party under this Agreement. To the extent either Party (the "**Paying Party**") is required to deduct and withhold Taxes on any payment to the other Party (the "**Recipient**"), the Paying Party shall (a) pay the full amount of such Taxes to the proper Governmental Body in a timely manner, and (b) promptly transmit to the Recipient an official tax certificate or other evidence of such payment sufficient to enable the Recipient to claim such payment of Taxes on the Recipient's applicable tax returns. The

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Paying Party shall provide the Recipient with advance notice prior to withholding any Taxes from payments payable to the Recipient and shall provide the Recipient with a reasonable period of time to claim an exemption or reduction in otherwise applicable Taxes. The Recipient shall provide the Paying Party any tax forms or other documents that may be reasonably necessary in order for the Paying Party to not withhold Tax or to withhold Tax at a reduced rate under an applicable bilateral income tax treaty, to the extent the Paying Party is legally able to do so. The Recipient shall promptly provide any such tax forms or other documents to the Paying Party upon the Paying Party's request. Each Party shall provide the other with reasonable assistance and cooperation to enable the recovery or refund, as permitted by Applicable Law, of withholding Taxes or similar obligations resulting from payments made under this Agreement, such recovery or refund to be for the benefit of the Party bearing the cost of such withholding Tax under this Section 7.8 (Taxes). In addition, the Parties shall cooperate in accordance with Applicable Law to minimize indirect Taxes (such as VAT) in connection with this Agreement. In the event of any inconsistency between this Section 7.8 (Taxes) and Section 7.9 (VAT Credits) with respect to VAT, Section 7.9 (VAT Credits) shall take precedence.

7.8.3 **Changes in Domicile**. Notwithstanding any provision to the contrary in this Agreement, if the Paying Party assigns, transfers or otherwise disposes of some or all of its rights and obligations to any Person and if, as a result of such action, the withholding or deduction of Tax required by Applicable Law with respect to payments under this Agreement is increased, then any amount payable to the Recipient under this Agreement shall be increased to take into account such withheld Taxes as may be necessary so that, after making all required withholdings (including withholdings on the withheld amounts), the Recipient receives an amount equal to the sum it would have received had no such withholding been made.

7.8.4 **Transfer Taxes; Tax Returns**. All transfer, documentary, sales, use, stamp, registration, and other such similar Taxes, and any conveyance fees, recording charges, and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated hereby, if any, shall be borne and paid by the Paying Party. The Paying Party shall prepare and timely file all tax returns required to be filed in respect of any such Taxes. The Parties shall reasonably cooperate in accordance with Applicable Law to minimize transfer Taxes in connection with this Agreement.

7.9 **VAT Credits**. Selecta shall use reasonable efforts to assist Astellas to minimize and obtain all available exemptions from such VAT, [***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

[***]

ARTICLE 8
IP OWNERSHIP, INVENTIONS AND PATENT PROSECUTION AND MAINTENANCE

8.1 **Intellectual Property Ownership**.

8.1.1 **Ownership**. Each Party shall own and retain all right, title and interest in any and all Patent Rights, Know-How and other intellectual property rights [***] ("**Arising IP**"), [***] ("**Xork Arising IP**"). Astellas hereby assigns, and agrees to assign, all Xork Arising IP to Selecta. Astellas shall, and hereby does (and shall cause its employees, agents and subcontractors to, and shall cause its Affiliates and their respective employees, agents and subcontractors to), assign to Astellas all right, title, and interest that Selecta may have in and to any Xork Arising IP. Astellas shall sign all documents and perform such acts as may be reasonably requested by Selecta for the purpose of perfecting the foregoing assignments to give effect to the ownership allocation set forth herein. Astellas shall require all of its and its Affiliates' and subcontractors' employees and agents to assign all Xork Arising IP to Astellas such that the Xork Arising IP can be assigned as set forth herein, free and clear of all liens, encumbrances, charges, security interests, mortgages or other similar restrictions.

8.1.2 **Joint IP**. Each Party shall [***] disclose to the other Party in writing, and shall cause its Affiliates, licensees and Sublicensees to so disclose, the conception, discovery, development, making, or reduction to practice of any Joint IP. Subject to the licenses and rights of reference granted under Section 3.1 (Grant of License), (A) each Party shall have the right to practice, grant licenses under, and transfer its interest in any Joint IP, (B) neither Party shall have any obligation to account to the other for profits or to obtain any approval of the other Party to license or exploit any Joint IP by reason of joint ownership thereof, and (C) each Party hereby waives any right it may have under the laws of any jurisdiction to require any such consent or accounting.

8.1.3 **Determination of Inventorship**. The determination of inventorship shall, for purposes of this Agreement, be made in accordance with the United

States patent law and other Applicable Law in the United States irrespective of where conception, reduction to practice, discovery, development or making occurs.

8.2 **Filing, Prosecution, Maintenance and Defense of Selecta Patents**.

8.2.1 **Responsibility**. As between the Parties, Selecta shall have the sole right, without any obligation, to file, prosecute and maintain the Selecta Patents in the Territory and to defend the Selecta Patents if a Third Party claims that any Selecta Patent is invalid or unenforceable. At Selecta's request, Astellas shall provide Selecta with reasonable assistance in prosecuting and defending Selecta Patents to the extent possible, including providing such data in Astellas' control that is, in Selecta's reasonable judgment, needed to support the prosecution or defense of a Selecta Patent; *provided*, *however*, [***]. Without otherwise limiting this Section 8.2.1 (Responsibility), to the extent Selecta intends to file a Patent Right claiming or covering the Arising IP, including the Xork Arising IP, Selecta shall provide Astellas prior written notice of such filing (including a copy of such proposed filing) and the Parties shall cooperate to coordinate same-day patent application filings for Arising IP, as requested by the other Party, for any provisional or non-provisional patent applications.

8.2.2 **Costs**. Selecta shall bear all costs and expenses of filing, prosecuting, maintaining and defending Selecta Patents in the Territory.

8.2.3 **Patent Term Extension**. Selecta shall, at its sole discretion, decide on the filing of patent term extensions for any Selecta Patent. Astellas shall provide Selecta with all relevant information, documentation and assistance in this respect. Any such assistance, supply of information and consultation shall be provided promptly and in a manner that shall ensure that all patent term extensions for a product can be obtained wherever legally permissible, and to the maximum extent available.

8.2.4 **US Drug Product Listing**. Selecta shall have the sole right to determine which of the Selecta Patents, if any, shall be listed for inclusion in the Approved Drug Products with Therapeutic Equivalence Evaluations pursuant to 21 U.S. CFR § 355, or any successor law in the United States, together with any comparable laws or regulations in any other country in the Territory.

8.3 **Filing, Prosecution, Maintenance and Defense of Astellas Arising Patents**.

8.3.1 **Responsibility**. As between the Parties, Astellas shall have the sole right, without any obligation, to file, prosecute and maintain the Patent Rights within Astellas' Arising IP ("**Astellas Arising Patents**") in the Territory and to defend the Astellas Arising Patents if a Third Party claims that any

Astellas Arising Patent is invalid or unenforceable. At Astellas' request, Selecta shall provide Astellas with reasonable assistance in prosecuting and defending Astellas Arising Patents to the extent possible, including providing such data in Selecta's control that is, in Astellas' reasonable judgment, needed to support the prosecution or defense of an Astellas Arising Patent; *provided*, *however*, [***]. Without otherwise limiting this Section 8.3.1 (Responsibility), to the extent Astellas intends to file a Patent Right claiming or covering the Astellas Arising IP, Astellas shall provide Selecta prior written notice of such filing (including a copy of such proposed filing) and the Parties shall cooperate to coordinate same-day patent application filings for Arising IP, as requested by the other Party, for any provisional or non-provisional patent applications.

8.3.2 **Costs**. Astellas shall bear all costs and expenses of filing, prosecuting, maintaining and defending Astellas Arising Patents in the Territory.

8.3.3 **Patent Term Extension**. Astellas shall, at its sole discretion, decide on the filing of patent term extensions for any Astellas Arising Patent. Selecta shall provide Astellas with all relevant information, documentation and assistance in this respect. Any such assistance, supply of information and consultation shall be provided promptly and in a manner that shall ensure that all patent term extensions for a product can be obtained wherever legally permissible, and to the maximum extent available.

8.3.4 **US Drug Product Listing**. Astellas shall have the sole right to determine which of the Astellas Arising Patents, if any, shall be listed for inclusion in the Approved Drug Products with Therapeutic Equivalence Evaluations pursuant to 21 U.S. CFR § 355, or any successor law in the United States, together with any comparable laws or regulations in any other country in the Territory.

8.4 **Filing, Prosecution, Maintenance and Defense of Joint Patents**.

8.4.1 **Responsibility**. As between the Parties, Astellas shall have the first right, without any obligation, to file, prosecute, maintain the Patent Rights within the Joint IP ("**Joint Patents**") in the Territory and to defend the Joint Patents if a Third Party claims that any Joint Patent is invalid or unenforceable. At Astellas' request, Selecta shall provide Astellas with reasonable assistance in prosecuting and defending Joint Patents to the extent possible, including providing such data in Selecta's control that is, in Astellas' reasonable judgment, needed to support the prosecution or defense of an Joint Patent; *provided*, *however*, [***]. If Astellas decides that it is no longer interested in prosecuting, maintaining, or defending a particular Joint Patent in any country in the Territory during the

Term, then it will promptly provide written notice to Selecta of this decision, and in any case in a timing that reasonably allows Selecta to meet the next deadline related to the applicable Joint Patent. Selecta may, upon written notice to Astellas, assume the prosecution and maintenance of such Joint Patent, as applicable, in such countries in the Territory. If Selecta assumes the prosecution and maintenance of a Joint Patent, then, at Selecta's request, Astellas shall provide Selecta with reasonable assistance in prosecuting and defending such Joint Patents to the extent possible, including providing such data in Astellas' control that is, in Selecta's reasonable judgment, needed to support the prosecution or defense of a Joint Patent; *provided*, *however*, [***].

8.4.2 **Costs**. The Party prosecuting or defending the Joint Patents shall bear all costs and expenses of its filing, prosecuting, maintaining and defending the Joint Patents in the Territory.

8.4.3 **Patent Term Extension**. Neither Party shall have the right to file patent term extensions for any Joint Patent without the consent of the other Party.

8.4.4 **US Drug Product Listing**. Neither Party shall have the right to list the Joint Patents, if any, for inclusion in the Approved Drug Products with Therapeutic Equivalence Evaluations pursuant to 21 U.S. CFR § 355, or any successor law in the United States, together with any comparable laws or regulations in any other country in the Territory, without the consent of the other Party, not to be unreasonably conditioned, withheld or delayed.

8.5 **Enforcement of Patent Rights**.

8.5.1 **Notice**. If either Party believes that a Selecta Patent, Joint Patent or an Astellas Arising Patent is being infringed by a Third Party, the Party possessing such knowledge or belief shall notify the other Party and provide it with details of such infringement that are known by such Party.

8.5.2 **Right to Bring an Action**. Except as set forth in Section 8.5.3, as between the Parties Selecta shall have the sole right, but not the obligation, to attempt to resolve an infringement with respect to any Selecta Patent, including by filing an infringement suit or taking other similar action (each, a "**Non-Generic Action**") and to compromise or settle such infringement at its sole discretion. Selecta shall pay all costs associated with such Non-Generic Action. As between the Parties, Astellas shall have the sole right, but not the obligation, to attempt to resolve an infringement with respect to any Astellas Arising Patent, including by filing an infringement suit or taking other similar action and to compromise or settle such infringement at its sole discretion. Neither Party shall have the right to enforce Joint Patents without the consent of the other Party, except as set forth in Section 8.5.3 (Right to Bring an Action against a Generic Product).

8.5.3 **Right to Bring an Action against a Generic Product**. Astellas shall have the first right, but not the obligation, to attempt to resolve an infringement of a Selecta Patent or Joint Patent to the extent that it relates to a Biosimilar Product of an Astellas Combination Product, including by filing an infringement suit or taking other similar action (each, a "**Generic Action**") and to compromise or settle such infringement. At Astellas' cost, Selecta shall, where necessary, join in, or be named as a necessary party to, such Generic Action with respect to an Astellas Combination Product to the extent relating to Xork or a Xork Product. If Astellas does not intend to prosecute or defend a Generic Action, Astellas shall promptly inform Selecta and Selecta then shall have the right, but not the obligation, to attempt to resolve such infringement solely to the extent that such infringement relates to a Biosimilar Product of Xork or a Xork Product in the Field, including by filing a Generic Action and to compromise or settle any such infringement. For clarity, Selecta shall have no right to assert or otherwise seek to enforce an Astellas Arising Patent in such Generic Action. The Party initiating such Generic Action shall have the sole and exclusive right to select counsel for any suit initiated by it. Each Party shall have the right to join a Generic Action relating to a Selecta Patent, taken by the other Party at its own expense. The Party taking a Generic Action shall pay all costs associated with such Generic Action, other than (subject to Section 8.5.5 (Reasonable Assistance)) the expenses of the other Party if the other Party elects to join such Generic Action.

8.5.4 **Settlement**. Astellas shall not settle or otherwise compromise any Generic Action by admitting that any Selecta Patent or Joint Patent is invalid or unenforceable without Selecta's prior written consent. The settlement shall be treated in accordance with the Applicable Laws of the country to which the settlement relates.

8.5.5 **Reasonable Assistance**. The Party not enforcing Selecta Patents or Joint Patents shall provide reasonable assistance to the other Party, including providing access to relevant documents and other evidence and making its employees available, subject to the other Party's reimbursement of any out- of-pocket expenses incurred by the non-enforcing Party in providing such assistance.

8.5.6 **Distribution of Amounts Recovered**. Any amounts recovered by the Party taking a Generic Action pursuant to Section 8.5.3 (Right to Bring an Action against a Generic Product), whether by settlement or judgment, shall be allocated in the following order: [***]

[***].

8.6 **Third Party Actions Claiming Infringement**.

8.6.1 **Notice**. If a Party becomes aware of any claim or action by a Third Party against either Party that claims that Xork or a Xork Product, or its use, Development, Manufacture or Commercialization solely in the Field infringes such Third Party's intellectual property rights (each, a "**Third Party Action**"), such Party shall promptly notify the other Party of all details regarding such claim or action that is reasonably available to such Party.

8.6.2 **Right to Defend**. Astellas shall have the first right, at its sole expense, but not the obligation, to defend a Third Party Action through counsel of its choosing. If Astellas declines or fails to assert its intention to defend such Third Party Action within [***] days of receipt or sending of notice under Section 8.6.1 (Notice), then Selecta shall have the right, at its sole expense, but not the obligation, to defend such Third Party Action. The Party defending such Third Party Action shall have the sole and exclusive right to select counsel for such Third Party Action. Selecta shall have the sole right to defend all claims that Xork or a Xork Product, or its use, Development, Manufacture or Commercialization outside the Field infringes a Third Party's intellectual property rights.

8.6.3 **Consultation**. The Party defending a Third Party Action pursuant to Section 8.6.2 (Right to Defend) shall be the "**Controlling Party**". The Controlling Party shall consult with the non-Controlling Party on all material aspects of the defense. The non-Controlling Party shall have a reasonable opportunity for meaningful participation in decision-making and formulation of defense strategy. The Parties shall reasonably cooperate with each other in all such actions or proceedings. The non-Controlling Party shall be entitled to be represented by independent counsel of its own choice at its sole expense.

8.6.4 **Appeal**. In the event that a judgment in a Third Party Action is entered against the Controlling Party and an appeal is available, the Controlling Party shall have the first right, but not the obligation, to file such appeal at its sole expense. In the event the Controlling Party does not desire to file such an appeal, it shall promptly, in a reasonable time period (i.e., with sufficient time for the non-Controlling Party to take whatever action may be necessary) prior to the date on which such right to appeal shall lapse or otherwise diminish, permit the non-Controlling Party to pursue such appeal at such non-Controlling Party's sole expense. If an appeal is filed against a judgement in a Third Party Action by one of the Parties, the other Party shall be entitled to be represented by independent counsel of its own choice at its sole expense. If Applicable Laws requires the other Party's involvement in

an appeal, the other Party shall be a nominal party of the appeal and shall provide reasonable cooperation to such Party at such Party's expense.

8.6.5 **No Settlement Without Consent**. Astellas shall not settle or otherwise compromise any Third Party Action without Selecta's prior written consent, not to be unreasonably withheld, conditioned or delayed. The settlement shall be treated in accordance with the Applicable Laws of the country to which the settlement relates.

8.7 **Certification Under Drug Price Competition and Patent Restoration Act**. Each Party shall immediately give written notice to the other Party of any certification of which they become aware filed pursuant to 21 U.S. CFR § 355(b)(2)(A) (or any amendment or successor statute thereto) claiming that any Selecta Patents covering Xork or a Xork Product, or the Manufacture or use of each of the foregoing, are invalid or unenforceable, or that infringement shall not arise from the Manufacture, use or sale of a product by a Third Party.

ARTICLE 9 CONFIDENTIALITY

9.1 **Confidentiality Obligations**. Each Party agrees that, for the Term and for [***] years thereafter, such Party shall, and shall ensure that its officers, directors, employees and agents and Sublicensees shall, keep completely confidential and not publish or otherwise disclose and not use for any purpose except as expressly permitted hereunder any Confidential Information disclosed to it by the other Party pursuant to this Agreement. In addition, any information disclosed by one Party to the other that is deemed "Confidential Information" of such disclosing Party under that certain two (2)-way Confidentiality Agreement by and between the Parties dated [***] shall be deemed the Confidential Information of such disclosing Party hereunder. Any technical, business or other information relating to the Astellas Combination Product and that does not also specifically relate to Xork or the Xork Product shall be deemed Astellas' "Confidential Information". For clarification, (a) any Information regarding Pompe subjects (i.e., biomarker data, any functional/clinical data) as it relates to the application of the Astellas Product, and any clinical data generated under the Astellas Development Plan, would be deemed Astellas Confidential Information, and (b) any Information relating to the use of Xork (i.e., change in IgG levels) will be deemed Selecta Confidential Information. "Confidential Information" shall not include any information disclosed by a Party hereunder to the extent that the receiving Party can demonstrate that such information:

9.1.1 was already known to the receiving Party or its Affiliates, other than under an obligation of confidentiality, at the time of disclosure;

9.1.2 was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

9.1.3 became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in breach of this Agreement;

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

9.1.4 was subsequently lawfully disclosed to the receiving Party or its Affiliates by a Third Party without an obligation of confidentiality other than in contravention of a confidentiality obligation of such Third Party to the disclosing Party; or

9.1.5 was developed or discovered by employees or agents of the receiving Party or its Affiliates who had no access to the Confidential Information of the disclosing Party.

9.2 **Permitted Disclosures**. Notwithstanding the above obligations of confidentiality and non-use, a Party may disclose information to the extent that such disclosure is reasonably necessary in connection with:

9.2.1 conducting pre-clinical studies or Clinical Trials for Xork Products or Astellas Combination Products;

9.2.2 seeking Regulatory Approval of any Xork Products or Astellas Combination Products;

9.2.3 complying with Applicable Laws, including securities law and the rules of any securities exchange or market on which a Party's or a Party's Affiliates' securities are listed or traded, *provided*, *however*, that (i) in the case of compliance with securities law and the rules of any securities exchange or market on which a Party's or a Party's Affiliates securities are listed or traded, such receiving Party shall use reasonable efforts to give the disclosing party at least [***] Business Days in advance of such disclosure, except whether such securities laws or rules of the applicable securities exchange or market requires disclosure earlier, in which case such receiving Party shall give the disclosing Party advance written notice as soon as reasonably practicable prior to such disclosure and (ii) in all other instances, except where impracticable, such receiving Party shall give the disclosing Party reasonable advance written notice of such disclosure requirement (which shall include a copy of any applicable subpoena or order) and, in each case (i) and (ii) shall afford such disclosing Party a reasonable opportunity to oppose, limit or secure confidential treatment for such required disclosure, and in the event of any such required disclosure,

(a) such receiving Party shall disclose only that portion of the Confidential Information of such disclosing Party that such receiving Party is legally required to disclose, (b) such Confidential Information may only be used for the purposes for which the order was issued or such disclosure was required by Applicable Law, and (c) such receiving Party shall endeavor to obtain confidential treatment of economic, trade secret information and such other information as may be requested by the disclosing Party, and shall provide the disclosing Party with the proposed confidential treatment request with reasonable time for such disclosing Party to provide comments, and shall consider in such confidential treatment request all reasonable comments of the disclosing Party; or

9.2.4 in case of Selecta as receiving Party, Selecta's compliance with the Upstream License; and

9.2.5 disclosure, in connection with the performance of this Agreement and solely on a "need to know basis", to Affiliates, existing or potential collaborators (including existing or potential co-marketing and co-promotion contractors), research collaborators, employees, consultants, or agents, each of whom prior to disclosure must be bound by written obligations of confidentiality and non-use substantially equivalent to or more stringent than the obligations set forth in this Article 9 (Confidentiality); *provided*, *however*, that the duration of such confidentiality and non-use obligations shall be no less than [***] years from the date of disclosure and such receiving Party shall remain responsible for any failure by any Person who receives Confidential Information pursuant to this Article 9 (Confidentiality) to treat such Confidential Information as required under this Article 9 (Confidentiality).

9.3 **Publications**. Astellas shall have the right to publicly present or publish information relating to the Astellas Combination Products, including all Know-How generated by or on behalf of Astellas hereunder (including from any Clinical Trials conducted by Astellas) with respect to any Astellas Combination Product (each such proposed presentation or publication, a "**Astellas Publication**") in accordance with this Section 9.3 (Publications). In the event Astellas wishes to publish or publicly disclose any Astellas Publication that discloses Selecta's Confidential Information, Astellas shall provide Selecta with a copy of such proposed Astellas Publication no less than [***] days prior to its intended submission for publication. Upon request by Selecta, Astellas shall remove any of Selecta's Confidential Information to the extent requested by Selecta. Selecta shall have the right to publicly present or publish information relating to the Xork Products, including all Know-How generated by or on behalf of Selecta hereunder (including from any Clinical Trials conducted by Selecta) with respect to any Xork Product (each such proposed presentation or publication, a "**Selecta Publication**") in accordance with this Section 9.3 (Publications). In the event Selecta wishes to publish or publicly disclose any Selecta Publication that discloses Astellas' Confidential Information, Selecta shall provide Astellas with a copy of such proposed Selecta Publication no less than [***] days prior to its intended submission for publication. Upon request by Astellas, Selecta shall remove any of Astellas' Confidential Information to the extent requested by Astellas.

9.4 **Press Releases and Subsequent Disclosures**.

9.4.1 **Initial Press Release**. No press release or public announcement, statement or disclosure concerning the transactions contemplated by this Agreement shall be issued by either Party without the prior consent of the other Party; *provided*, *however*, that with respect to this Agreement and the transactions contemplated hereby the first press release shall be issued following the execution and delivery of this Agreement in the form set forth in Schedule 9.4.1 (Press Release).

9.4.2 **Public Disclosure by Selecta**. Selecta may not make any subsequent press release or public announcements regarding the Development or Commercialization of Astellas Combination Products, without the prior written consent of Astellas, except as required by Applicable Laws including any rules and regulations of any stock exchange on which the securities of Selecta or its Affiliates are traded (in which case, such press release or public announcement shall comply with the terms of Section 9.4.3).

9.4.3 **Public Disclosures by Astellas**. Astellas shall have the right to make such press releases as it chooses, in its sole discretion, without the approval of Selecta, unless such press release refers to Selecta or its Affiliates. In such case, Astellas shall inform Selecta no less than [***] days prior to the planned publication of such press release and request approval by Selecta. If Selecta so requests, Astellas shall include any comments by Selecta, or shall remove the reference to Selecta or its Affiliates from the proposed press release prior to its publication.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 **Mutual Representations and Warranties**. Each Party represents and warrants to the other Party that, as of the Effective Date:

10.1.1 It is duly organized and validly existing under Applicable Laws of the jurisdiction of its incorporation and has the full power, authority and right to enter into this Agreement and to perform its obligations hereunder in accordance with the terms and conditions hereof, and all requisite corporate action has been taken to authorize its execution, delivery and performance of this Agreement;

10.1.2 The execution, delivery and performance of this Agreement by it does not breach, violate, conflict with, contravene or constitute a default under its charter documents, bylaws or other organization documents or any contract, arrangement or commitment to which it is a party or by which it is bound, or violate any statute, law or regulation or any court or Governmental Body having jurisdiction over such Party;

10.1.3 This Agreement is a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms and conditions, subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance and general principles of equity (whether enforceability is considered a proceeding at law or equity);

10.1.4 All consents, approvals and authorizations from all Governmental Bodies or other Third Parties required to be obtained by it in connection with the

execution, delivery and performance of this Agreement have been obtained; and

10.1.5 Neither it, nor any of its officers or employees, nor to its knowledge, any of its agents and contractors, is a Sanctioned Person, and neither it nor any of its officers, employees, nor to its knowledge, any of its agents, and contractors, has engaged in any conduct that would reasonably be expected to result in such person being a Sanctioned Person.

10.2 **Selecta Representations, Warranties and Covenants**.

10.2.1 Selecta represents and warrants to Astellas that, as of the Effective Date and covenants, as applicable during the Term to Astellas, that, except as set forth on Schedule 10.2 (Selecta Disclosure Schedule):

i. as of the Effective Date Schedule 1.118 (Selecta Patents) (i) sets forth a true, correct and complete list of all Selecta Patents owned by Selecta existing as of the Effective Date, and (ii) to Selecta's knowledge, sets forth a true, correct and complete list of all Selecta Patents licensed by Selecta existing as of the Effective Date.

ii. as of the Effective Date all Selecta Patents are being diligently prosecuted in the respective patent offices in the Territory in accordance with Applicable Law, have been filed and maintained properly and all applicable fees have been paid on or before the due date for such payments;

iii. as of the Effective Date Selecta and its Affiliates have all right, title and interest in and to the Selecta Technology in the Field, and with the exception of the Upstream License, as of the Effective Date Selecta and its Affiliates have not previously licensed, assigned, transferred, or otherwise conveyed any right, title or interest in and to the Selecta Technology to or from any Third Party in the Field in any manner that would be in conflict of the rights and licenses granted by Selecta to Astellas under this Agreement;

iv. as of the Effective Date the Selecta Technology is free and clear of any liens, charges, encumbrances or rights of Third Parties to possession or use in the Field, and as of the Effective Date no Third Party (including any Governmental Body or subdivision thereof), has or shall have any claim of ownership whatsoever with respect to the Selecta Patents and Selecta Know-How;

v. as of the Effective Date Selecta has the full right, power and authority to grant the licenses granted hereunder;

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

vi. as of the Effective Date all Patent Rights within the Selecta Patents are subsisting and in full force and effect, and, to Selecta's knowledge, the issued Selecta Patents are valid and enforceable;

vii. as of the Effective Date no present or former employee or consultant of Selecta or any Affiliate owns or has any proprietary, financial or other interest, direct or indirect, in the Selecta Patents and Selecta Know-How that has not been assigned to Selecta or one of its Affiliates;

viii. as of the Effective Date, Selecta has not made any filings with any Regulatory Authority with respect to Xork or Xork Products;

ix. to Selecta's knowledge, the Development and Commercialization of Xork or the Xork Product in the Territory does not and will not infringe, misappropriate, or otherwise violate any intellectual property rights of any Third Party;

x. as of the Effective Date neither Selecta nor any of its Affiliates has received any written notification from a Third Party that the Exploitation of Xork or the Xork Product or any component thereof in the Field in the Territory, or the use of any trademark with respect to Xork or the Xork Product in the Field in the Territory, infringes or misappropriates or other intellectual property rights of any Person;

xi. as of the Effective Date there are no claims, judgments or settlements against or owed by Selecta (or any of its Affiliates) or, to Selecta's knowledge, threatened claims or litigation, in each case relating to the Selecta Patents or Selecta Know-How;

xii. Selecta has disclosed to Astellas all licenses or other binding agreements related to the Selecta Patents and Selecta Know-How in the Territory in the Field to which Selecta is a party;

xiii. Selecta is not, as of the Effective Date, undergoing any inspection by any Governmental Body specifically related to Xork or the Xork Product or any Clinical Trial related to Xork or the Xork Product, in each case in the Territory in the Field;

xiv. as of the Effective Date, Selecta has not received notice that it is in breach of the Upstream License nor, to Selecta's knowledge, as of the Effective Date does any circumstance exist that is likely to give rise to a claim of breach of the Upstream License;

xv. true, complete and correct copies of the Upstream License (other than redactions for financial terms) have been provided or made available to Astellas;

xvi. all Manufacturing, research and Development (including non- clinical studies and Clinical Trials), labeling, and distribution performed by Selecta, and on behalf of Selecta, related to Xork or the Xork Product in the Territory in the Field prior to the Effective Date has been conducted in material accordance with all Applicable Laws.

10.2.2 Selecta shall not assign, transfer, convey, or otherwise encumber its right, title, and interest in the Selecta Technology, Regulatory Filings or Regulatory Approvals related to Xork or Xork Products in the Territory in the Field, including without limitation by assigning, transferring, or conveying its right, title, and interest in Selecta Patents, Regulatory Filings or Regulatory Approvals to any Person to which this Agreement is not contemporaneously assigned, transferred, and conveyed pursuant to Section 15.1 (Assignment), *provided*, *however*, the foregoing shall not prohibit Selecta and its Affiliates from granting a customary lien or encumbrance with respect to the Selecta Technology or any other asset to Selecta's lenders, including the Lenders pursuant to the Loan Agreement, or any future financing agreements, so long as at the time of such grant such lien or encumbrance could not reasonably be expected to preclude Astellas from exercising the licenses granted pursuant to Section 3.1 (Grant of License).

10.2.3 Selecta (a) shall not amend, modify, terminate, or waive compliance with, the Upstream License in any manner that would adversely impact the rights licensed to Astellas hereunder unless it has received Astellas' prior written consent (not to be unreasonably withheld, conditioned or delayed), and (b) shall, unless it has received Astellas' prior written consent (not to be unreasonably withheld, delayed or conditioned), enforce its rights under the Upstream License to the extent necessary to comply with its obligations under this Agreement.

10.3 **Additional Astellas Covenants**.

10.3.1 Astellas covenants that it shall perform its obligations hereunder in conformity with current generally accepted industry standards and procedures and Applicable Law.

10.4 **Additional Covenants of the Parties**.

10.4.1 Each Party covenants that such Party shall not knowingly employ or engage any person who is a Sanctioned Person or is the subject of a proceeding that could result in such person being a Sanctioned Person. Each Party covenants that if, during the Term of this Agreement, it becomes aware that it or any

of its officers, employees, agents, or contractors is the subject of any investigation or proceeding that could lead to that person being a Sanctioned Person, such Party will promptly notify the other Party.

10.5 **Disclaimer of Warranties**. EACH PARTY HEREBY DISCLAIMS ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING WARRANTIES TO NON- INFRINGEMENT, TO FREEDOM TO OPERATE, OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS OF XORK, XORK PRODUCTS, OR ASTELLAS COMBINATION PRODUCTS FOR A PARTICULAR PURPOSE.

10.6 **Consequential Damages Waiver**. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT, WHETHER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, MULTIPLE OR INDIRECT DAMAGES (INCLUDING LOST PROFITS, LOSS OF USE, DAMAGE TO GOODWILL, OR LOSS OR BUSINESS) ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION IS INTENDED TO OR SHALL LIMIT OR RESTRICT (A) THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF A PARTY UNDER SECTION 11.1 (INDEMNIFICATION BY SELECTA) AND SECTION 11.2 (INDEMNIFICATION BY ASTELLAS), (B) ANY DAMAGES AVAILABLE FOR A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS IN ARTICLE 9 (CONFIDENTIALITY), (C) ANY DAMAGES AVAILABLE FOR ASTELLAS' BREACH OF THE SCOPE OF THE LICENSE GRANT IN SECTION 3.1 (GRANT OF LICENSE) OR SELECTA'S BREACH OF ITS OBLIGATIONS IN SECTION 3.3 (EXCLUSIVITY), OR (D) ANY DAMAGES AVAILABLE FOR A PARTY'S GROSS NEGLIGENCE, INTENTIONAL MISCONDUCT OR FRAUD.

ARTICLE 11 INDEMNIFICATION AND INSURANCE

11.1 **Indemnification by Selecta**. Selecta shall defend, indemnify and hold harmless Astellas, its Affiliates, directors, employees and agents (the "**Astellas Indemnitees**") from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses of litigation) ("**Losses**") arising or resulting from any claims made or suits brought by Third Parties to the extent such Losses arise or result from (a) the gross negligence or willful misconduct of the Selecta Indemnitees in connection with the performance of Selecta's obligations or the exercise of Selecta's rights under this Agreement; (b) a breach of any of Selecta's representations, warranties or covenants in this Agreement; (c) the activities that are actually conducted by or on behalf of Selecta, its Affiliates or its sublicensees (other than Astellas, its Affiliates, and Sublicensees), including the Development, Manufacture and Commercialization or other Exploitation of Xork or the Xork Products by or on behalf of Selecta, its Affiliates or its sublicensees (other than Astellas, its Affiliates, and Sublicensees), including any product liability, personal injury, property damage or other damage caused thereby, whether before, during or after the Term; or (d) any infringement of Patent Rights of any Third Party by Selecta, its Affiliates or

its sublicensees (other than Astellas, its Affiliates, and Sublicensees) with respect to any research, Development, Manufacture or Commercialization of Xork or the Xork Products anywhere in the world by or on behalf of Selecta, its Affiliates or its sublicensees (other than Astellas, its Affiliates, and Sublicensees), except, in the case of clauses (a) through (d) above, for those Losses for which Astellas, in whole or in part, has an obligation to indemnify Selecta pursuant to Section 11.2 (Indemnification by Astellas) hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for such Losses.

11.2 **Indemnification by Astellas**. Astellas shall defend, indemnify and hold harmless Selecta, its Affiliates, directors, employees and agents (the "**Selecta Indemnitees**") from and against any and all Losses arising or resulting from any claims made or suits brought by Third Parties to the extent such Losses arise or result from (a) the gross negligence or willful misconduct of Astellas Indemnitees in connection with the performance of Astellas' obligations or exercise of Astellas' rights under this Agreement; (b) a breach of any of Astellas' representations, warranties or covenants in this Agreement; (c) the activities that are actually conducted by or on behalf of Astellas (other than activities performed by or on behalf of Selecta or its Affiliates), its Affiliates or its Sublicensees, pursuant to this Agreement, including the Development, Manufacture and Commercialization or other Exploitation of the Astellas Combination Products, including any product liability, personal injury, property damage or other damage caused thereby, other than any claims related to or arising from (i) infringement of Patent Rights to the extent related to the research, Development, Manufacture or Commercialization of Xork or the Xork Product, or (ii) the Manufacture and supply of Xork Product; or (d) any infringement of Patent Rights of any Third Party by Astellas, its Affiliates or its Sublicensees with respect to any research, Development, Manufacture or Commercialization of the Astellas Products (including the research, Development, Manufacture or Commercialization of the Astellas Product in an Astellas Combination Product) anywhere in the world, except, in the case of clauses (a) through (d) above, for those Losses for which Selecta, in whole or in part, has an obligation to indemnify Astellas pursuant to Section 11.1 (Indemnification by Selecta) hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for such Losses.

11.3 **Procedure**. A Party seeking indemnification under this Article 11 (Indemnification and Insurance) ("**Indemnified Party**") shall give prompt written notification to the other Party ("**Indemnifying Party**") of the claim for which indemnification may be sought (it being understood and agreed, however, that the failure by a Party to give notice of such claim as provided in this Section 11.3 (Procedure) shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except and only to the extent that such Indemnifying Party is actually prejudiced as a result of such failure to give notice). Within [***] days after delivery of such notification, the Indemnifying Party may, upon written notice thereof to the other Party, assume control of the defense of such claim with counsel reasonably satisfactory to the Indemnified Party. If the Indemnifying Party does not assume control of such defense, the Indemnified Party shall control such defense and, without limiting the Indemnifying Party's indemnification obligations, the Indemnifying Party shall reimburse the Indemnified Party for all costs and expenses, including reasonable attorneys' fees and disbursements, incurred by the Indemnified Party in defending itself within [***] days after receipt of any invoice therefor from the Indemnified Party. The Party not controlling such defense may participate therein at its own expense; *provided* that, if the Indemnifying Party assumes control of such defense and the Indemnified Party in good faith

concludes, based on written advice from outside counsel, that the Indemnifying Party and the Indemnified Party have conflicting interests with respect to such claim sufficiently adverse to make unadvisable the representation by the same counsel of both Parties under Applicable Laws, ethical rules or equitable principles, the Indemnifying Party shall be responsible for the reasonable fees and expenses of a single counsel to the Indemnified Party in connection therewith. The Party controlling such defense shall keep the other Party advised of the status of such claim and the defense thereof and shall consider recommendations made by the other Party with respect thereto. The Indemnifying Party shall not agree to any settlement of such claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Indemnified Party from all liability with respect thereto, that imposes any liability or obligation on the Indemnified Party or that acknowledges fault by the Indemnified Party, without the prior written consent of the Indemnified Party.

11.4 **Cooperation**. Regardless of whether the Indemnifying Party chooses to defend or prosecute any claim, the Indemnified Party shall, and shall cause each indemnitee to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such indemnified claim, and making Indemnified Parties and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

11.5 **Insurance**.

11.5.1 **Level of Insurance**. Each Party shall, at its sole cost and expense, procure and maintain policies of commercial general liability insurance, which includes coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract, with limits of not less than (a) [***] per occurrence or claim and [***] annual aggregate at all times during the Term, (b) [***] per occurrence or claim and [***] annual aggregate for the period starting upon the Initiation of the first Clinical Trial of a Xork Product with respect to Selecta and an Astellas Combination Product with respect to Astellas until such time as any Xork Product or Astellas Combination Product is being commercially distributed, sold, leased or otherwise transferred or performed or used (other than for the purpose of obtaining Regulatory Approvals) by Selecta, its Affiliates or by a sublicensee or Astellas, its Affiliates, or by a Sublicensee, and (c) [***] per occurrence or claim and [***] annual aggregate for the period starting upon such time as any Xork Product or Astellas Combination

Product is being commercially distributed, sold, leased or otherwise transferred or performed or used. An umbrella and/or excess liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a follow-form basis. Notwithstanding the foregoing, Astellas may elect to self-insure all or part of the limits described above. The minimum amounts of insurance coverage required under this Section 11.5 (Insurance) shall not be construed to create a limit of Astellas' liability with respect to its indemnification obligations under Section 11.2 (Indemnification by Astellas). Each Party shall include the other Party and/or its Affiliates as an additional insured. Each Party shall furnish the other Party with a current certificate of insurance upon request and provide the other Party with [***] days' notice of cancellation or material changes to the insurance above.

11.5.2 **Sublicensee's Insurance**. Astellas shall require any Sublicensee(s) and any distributors of Astellas Combination Products to maintain insurance under the same terms set forth in Section 11.5.1 (Level of Insurance).

11.5.3 **Survival**. This Section 11.5 (Insurance) shall survive expiration or termination of this Agreement.

ARTICLE 12
TERM AND TERMINATION

12.1 **Term of Agreement**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, unless earlier terminated in accordance with this Agreement, shall continue in full force and effect, on an Astellas Combination Product-by-Astellas Combination Product and country-by-country basis, until the date on which the Royalty Term in such country with respect to such Astellas Combination Product expires.

12.2 **Termination for Convenience**. Astellas may terminate this Agreement in its entirety or on a country or other jurisdiction-by-country or other jurisdiction basis, at any time and in its sole discretion upon [***] days' advance written notice to Selecta.

12.3 **Termination for Breach and Other Causes**.

12.3.1 **Material Breaches**. Subject to Section 12.3.2 (Disagreement as to Termination Right for Material Breaches), if a Party breaches any of its material obligations under this Agreement (the "**Breaching Party**"), the Party not in default (the "**Non-Breaching Party**") may give to the Breaching Party a written notice specifying the nature of the default in reasonable detail, requiring it to cure such breach, and stating its intention to terminate this Agreement if such breach is not cured after receipt of such notice (i) with respect to outstanding payments not paid within the respective payment dates: within [***] days, and (ii) with respect to all other curable events: within [***] days (such [***] day period, the "**Cure Period**"). Subject to Section 12.3.2 (Disagreement

as to Termination Right for Material Breaches), any such termination of this Agreement under this Section 12.3.1 (Material Breaches) shall become effective at the end of the applicable Cure Period, unless the Breaching Party has cured such breach or default prior to the expiration of such Cure Period, or if such breach is not susceptible to cure within such Cure Period even with the use of commercially reasonable efforts, the Non-Breaching Party's right to termination shall be suspended only if and for so long as the Breaching Party has provided to the Non-Breaching Party a written plan that is reasonably calculated to effect a cure, such plan is reasonably acceptable to the Non-Breaching Party, and the Breaching Party commits to and does carry out such plan; *provided*, that, in no event shall such suspension of the Non-Breaching Party's right to terminate extend beyond [***] days (or in the case of any default for any monetary payment, [***] days for any disputed payment amounts). The right of either Party to terminate this Agreement, or a portion of this Agreement, as provided in this Section 12.3.1 (Material Breaches) shall not be affected in any way by such Party's waiver or failure to take action with respect to any previous default.

12.3.2 **Disagreement as to Termination Right for Material Breaches**. If the Breaching Party disputes that there has been a material breach entitling the Non-Breaching Party to terminate pursuant to Section 12.3.1 (Material Breaches), then subject to Article 13 (Dispute Resolution): (a) the Breaching Party may contest the allegation by referring such matter, within [***] days following such notice of alleged material breach for resolution in accordance with Section 13.1 (Disputes) and 13.2 (Escalation to Senior Executives), and if the Parties are unable to resolve a dispute after the procedures set forth in Section 13.1 (Disputes) and 13.2 (Escalation to Senior Executives), the matter will be resolved as provided in Section 13.3 (Arbitration); (b) the relevant Cure Period with respect thereto will be tolled from the date the Breaching Party notifies the Non-Breaching Party of such dispute and through the resolution of such dispute in accordance with the applicable provisions of this Agreement (provided, that if such dispute relates to payment, the Cure Period will only apply with respect to payment of disputed amounts, and not with respect to undisputed amounts); (c) it is understood and agreed that during the pendency of such dispute, all of the terms and conditions of this Agreement shall remain in effect and the Parties shall continue to perform all of their respective obligations hereunder; and (d) if it is finally and conclusively determined pursuant to Section 13.3 (Arbitration) that the Breaching Party committed such material breach, then after such determination the Breaching Party shall have the right to cure such material breach within the Cure Period.

12.3.3 **Termination as a Consequence of Patent Challenge**. If Astellas or any of its Affiliates, or any Sublicensees or any of Sublicensee's Affiliates, brings a Patent Challenge against Selecta, or assists others in bringing a Patent

Challenge against Selecta (except as required under a court order or subpoena), then Selecta may terminate this Agreement, with sixty (60) days' prior written notice to Astellas, *provided* that if Selecta is unable to terminate this Agreement pursuant to this Section 12.3.3 (Termination as a Consequence of Patent Challenge) due to Applicable Law or such termination right being otherwise held invalid or unenforceable, then any fees, royalties, milestones or revenues payable to Selecta under Sections 7.3 (Milestone Events and Milestone Payments) and 7.4 (Royalty), shall increase in amount by [***] if and when any Selecta Patent survives the Patent Challenge such that it remains valid in whole or in part. Notwithstanding the foregoing, if the Challenging Party is a Sublicensee that is not an Affiliate of Astellas, if Astellas takes all available action to terminate the sublicense agreement with such Challenging Party within [***] days after Astellas first received notice of such Patent Challenge, then Selecta shall not have the right to terminate this Agreement and there shall be no such increase in any fees, royalties, milestones or revenues payable to Selecta under Sections 7.3(Milestone Events and Milestone Payments) and 7.4 (Royalty).

12.3.4 **Termination for Shelving**. Selecta will have right to terminate this Agreement in its entirety upon [***] days' written notice if Astellas has not conducted any [***] Development activities for an Astellas Combination Product for at least [***] consecutive months and such suspension of activities is not (a) by written agreement of the Parties, [***]; *provided* that Astellas shall have an opportunity to cure such cessation of activities during such [***] day period by conducting [***] Development or Commercialization (as applicable) for an Astellas Combination Product.

12.4 **Termination for Bankruptcy**. If either Party makes an assignment for the benefit of creditors, appoints or suffers appointment of a receiver or trustee over all or substantially all of its property, files a petition under any bankruptcy or insolvency act or has any such petition filed against it that is not discharged within [***] days after the filing thereof, the other Party may terminate this Agreement in its entirety by providing written notice of its intent to terminate this Agreement to the insolvent Party, in which case this Agreement shall terminate on the date on which the insolvent Party receives such written notice. All rights and licenses (collectively, the "**Intellectual Property**") granted under or pursuant to this Agreement, including all rights and licenses to use improvements or enhancements developed during the Term, are intended to be, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**") or any analogous provisions in any other country or jurisdiction, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that the licensee of such Intellectual Property under this Agreement shall

retain and may fully exercise all of its rights and elections under the Bankruptcy Code, including Section 365(n) of the Bankruptcy Code, or any analogous provisions in any other country or jurisdiction. All of the rights granted to either Party under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which the other Party is the debtor. If a bankruptcy proceeding is commenced by or against either Party under the Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the non-debtor Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any Intellectual Property and all embodiments of such Intellectual Property, which, if not already in the non-debtor Party's possession, shall be delivered to the non-debtor Party within [***] Business Days of such request; *provided* that the debtor Party is excused from its obligation to deliver the Intellectual Property to the extent the debtor Party continues to perform all of its obligations under this Agreement and the Agreement has not been rejected pursuant to the Bankruptcy Code or any analogous provision in any other country or jurisdiction.

12.5 **General Effects of Termination or Expiration**.

12.5.1 **Accrued Rights and Obligations**. Termination or expiration of this Agreement shall not release either Party from its obligations accrued prior to the effective date of termination or expiration nor deprive either Party from any rights that this Agreement has conferred on such Party. Such obligations and rights shall survive termination or expiration of this Agreement. Termination of this Agreement by either Party shall be in addition to and not in lieu of any other remedies available to such Party, at law and in equity.

12.5.2 **Return of Confidential Information**. Each Party shall, to the extent possible, return to the other (or at the returning Party's election, destroy) all relevant materials in its possession or control containing or comprising the Confidential Information of the other Party, *provided* that neither Party will be required to delete or destroy (a) any electronic back-up tapes or other electronic back-up files that have been created solely by a Party or its Affiliate's automatic or routine archiving and back-up procedures, to the extent created and retained in a manner consistent with its or their standard archiving and back-up procedures, or (b) required to be kept or maintained by Applicable Law.

12.5.3 **Surviving Terms**. Notwithstanding anything in this Agreement to the contrary, the following provisions shall expressly survive any expiration or termination of this Agreement in accordance with their terms: ARTICLE 1 (Definitions) (but only to the extent necessary to interpret this Agreement), Section 3.7 (License to Astellas Arising IP), Section 3.9 (No Implied License; No Trademark Rights), Section 5.5 (Record Keeping), ARTICLE 7 (Financial Terms) (solely for obligations accrued but not yet paid prior to the effective date of expiration and termination), Section 8.1 (Intellectual Property Ownership), Section 8.4 (Filing, Prosecution, Maintenance and Defense of Joint Patents), Section 8.5 (Enforcement of Patent Rights)

(solely with respect to Joint Patents), ARTICLE 9 (Confidentiality) (for the duration set forth therein), Section 10.5 (Disclaimer of Warranties), Section 10.6 (Consequential Damages Waiver), ARTICLE 11 (Indemnification and Insurance), Section 12.5 (General Effects of Termination or Expiration), Section 12.6 (Consequences of Termination), Section 12.8 (Sublicensees), ARTICLE 13 (Dispute Resolution), and ARTICLE 15 (Miscellaneous).

12.5.4 **Conversion of License**. Upon expiration (not early termination) of this Agreement with regard to a particular Astellas Combination Product in a particular country pursuant to Section 12.1 (Term of Agreement), the Xork License shall convert into a fully paid-up, perpetual, irrevocable and exclusive license with regard to such Astellas Combination Product in such country, *provided* that Astellas has paid all undisputed amounts due hereunder.

12.6 **Consequences of Termination**. Subject to Section 12.9 (Certain Additional Remedies of Astellas in Lieu of Termination), upon any termination of this Agreement by Selecta pursuant to Sections 12.3 (Termination for Breach and Other Causes) or 12.4 (Termination for Bankruptcy), or by Astellas pursuant to Section 12.2 (Termination for Convenience) 12.3 (Termination for Breach and Other Causes) or 12.4 (Termination for Bankruptcy):

12.6.1 all licenses granted by Selecta to Astellas hereunder shall terminate and all licenses granted by Astellas to Selecta under Section 3.6 (Retained Rights and License Grant to Selecta) shall remain valid and shall convert to perpetual, royalty-free, worldwide licenses;

12.6.2 Astellas shall, at Selecta's option transfer to Selecta [***] all clinical supplies of Xork Products, that are owned or Controlled by Astellas;

12.6.3 to the extent permitted by Applicable Law, and upon written request by Selecta, Astellas shall transfer to Selecta all Regulatory Filings and Regulatory Approvals related solely to Xork or Xork Products (and not the Astellas Combination Product) prepared or obtained by or on behalf of Astellas, if any, prior to the date of such termination, to the extent transferable;

12.6.4 unless expressly prohibited by any Regulatory Authority, at Selecta's written request, Astellas shall and hereby does, and shall cause its Affiliates and its and their Sublicensees to, transfer control to Selecta of any or all Clinical Trials solely involving a Xork Product (and not the Astellas Combination Product) being conducted by or on behalf of Astellas, an Affiliate or a Sublicensee as of the effective date of termination; *provided* that (a) Selecta shall not have any obligation to continue any Clinical Trial unless required by Applicable Law and (b) Astellas shall not be required to comply with this Section 12.6.4 if Astellas reasonably believes that the use of Xork or the applicable Xork Product presents health or safety issues; and

12.6.5 Astellas, its Affiliates or its Sublicensees shall cease to have any rights under the Selecta Technology to Commercialize Astellas Combination Products in the Territory, *provided*, *however*, that Astellas, its Affiliates or its Sublicensees shall be entitled, during the [***] months' period following such termination, to sell any commercial inventory of Astellas Combination Products which remains on hand as of the date of the termination, so long as Astellas pays to Selecta the royalties and, if applicable, sales milestones applicable to said subsequent sales in accordance with the terms and conditions set forth in this Agreement.

12.7 **Consequences of Termination in Part**. Upon any termination of this Agreement by a Party pursuant to Section 12.3 (Termination for Breach and Other Causes) not in whole, but in part with view to one or more Astellas Combination Products or one or more countries of the Territory, Section 12.6 (Consequences of Termination) shall apply accordingly, but solely with view to the terminated Astellas Combination Product or the terminated countries of the Territory.

12.8 **Sublicensees**. Subject to Selecta's prior written approval upon review of a given sublicense agreement between Astellas and a Sublicensee, upon any termination of this Agreement, a Sublicensee shall continue to have the rights and license set forth in its sublicense agreement, which agreements shall be automatically assigned to Selecta, *provided*, *however*, that such Sublicensee is not then in breach of any of its material obligations under its sublicense agreement.

12.9 **Certain Additional Remedies of Astellas in Lieu of Termination**. Without limitation of any other remedy that may be available to Astellas hereunder, in the event that Astellas has the right to terminate this Agreement under Section 12.3.1 (Material Breaches), Astellas will not be required to exercise such right of termination, and may instead elect to not exercise such right and continue this Agreement, in which case this Agreement shall continue in full force and effect with respect to the Xork Product for the entire Territory except that all payment obligations set forth in Article 7 (Financial Terms) shall be reduced by a percentage to be negotiated by the Parties (subject to dispute resolution pursuant to Article 13 (Dispute Resolution)) to reflect nature of the material breach, but in no event shall the percentage reduction be greater than [***], whether through one or more reductions pursuant to this Section 12.9 (Certain Additional Remedies of Astellas in Lieu of Termination).

ARTICLE 13 DISPUTE RESOLUTION

13.1 **Disputes**. The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights or obligations hereunder (a "**Dispute**"). It is the objective of the Parties to establish under this Article 13 (Dispute Resolution) procedures to facilitate the resolution of Disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. Any Disputes shall be brought to the attention of the JSC for resolution. The JSC shall endeavor to propose and define mutually acceptable solutions and facilitate communications in an attempt to bring the Dispute to a mutually agreeable resolution. In the event that the Parties are unable to resolve such Dispute through diligent review and deliberation by the JSC within [***] days from the day that one Party had designated the issue as a Dispute in written notice to the other Party, then either Party shall have

the right to escalate such matter to the Senior Executives (as defined below) as set forth in Section 13.2 (Escalation to Senior Executives).

13.2 **Escalation to Senior Executives**. Either Party may, by written notice to the other Party, request that a Dispute that remains unresolved by the JSC for the [***] days period as set forth in Section 13.1 (Disputes) arising between the Parties in connection with this Agreement, or a Dispute relating to material breach, be resolved by the Senior Executives, within [***] days after referral of such dispute to them. The Senior Executive for Selecta shall be Selecta's [***] and for Astellas shall be [***] (the "**Senior Executives**"). If the Senior Executives cannot resolve such Dispute within [***] days after referral of such dispute to them, then, at any time after such [***] day period, either Party may refer such dispute to arbitration in accordance with Section 13.3 (Arbitration).

13.3 **Arbitration.**

13.3.1 **Rules**. If a Dispute cannot be resolved between the Parties or the Senior Executives as set forth in Section 13.2 (Escalation to Senior Executives), then either Party shall be free to institute binding arbitration with respect to such dispute in accordance with this Section 13.3 (Arbitration) upon written notice to the other Party (an "**Arbitration Notice**") and seek remedies as may be available. Any dispute unresolved under this Section 13.3 (Arbitration) shall be settled by binding arbitration administered by the International Chamber of Commerce ("**ICC**") (or any successor entity thereto) and in accordance with the ICC Rules of Arbitration then in effect, as modified in this Section 13.3 (Arbitration) (the "**Rules**"), except to the extent such rules are inconsistent with this Section 13.3 (Arbitration), in which case this Section 13.3 (Arbitration) shall control.

13.3.2 **Selection of Arbitrators**. Upon receipt of an Arbitration Notice by a Party, the applicable dispute shall be resolved by final and binding arbitration before a panel of three arbitrators (the "**Arbitrators**"), with each arbitrator having not less than [***] years of experience in the biotechnology or pharmaceutical industry and subject matter expertise with respect to the matter subject to arbitration and having not been employed or engaged by either Party in the last [***] years prior to the date of the Arbitration Notice. Any Arbitrator chosen hereunder shall have educational training and industry experience sufficient to demonstrate a reasonable level of scientific, financial, medical, and industry knowledge relevant to the particular dispute. Each Party shall promptly select one Arbitrator, which selections shall in no event be made later than [***] days after receipt of the Arbitration Notice. The third Arbitrator shall be chosen promptly by agreement of the Arbitrators chosen by each Party, but in no event later than [***] days after the date on which the last of such Arbitrators was appointed.

13.3.3 **Decisions**. The Arbitrators' decision and award shall be made within [***] months of the filing of the arbitration demand and the Arbitrators shall agree

to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the Arbitrators. The Arbitrators shall be authorized to award compensatory damages, but shall not be authorized to reform, modify, or materially change this Agreement. The Arbitrators shall, within [***] days after the conclusion of the hearing, issue a written award and statement of decision describing the material facts and the grounds for the conclusions on which the award is based, including the calculation of any damages awarded. The proceedings and decisions of the arbitrator shall be confidential, final, and binding on the Parties, and judgment upon the award of such arbitrator may be entered in any court having jurisdiction thereof.

13.3.4 **Responsibility for Costs**. Each Party shall bear its own costs and expenses (including legal fees and expenses) relating to the arbitration proceeding, except that the fees of the Arbitrators and other related costs of the arbitration shall be shared equally by the Parties, unless the Arbitrators determine that a Party has incurred unreasonable expenses due to vexatious or bad faith positions taken by the other Party, in which event the Arbitrators may make an award of all or any portion of such expenses (including legal fees and expenses) so incurred.

13.3.5 **Limitations**. The Arbitrators shall be required to render the decision in writing and to comply with, and the award shall be limited by, any express provisions of this Agreement relating to damages or the limitation thereof. No Arbitrator shall have the power to award punitive damages under this Agreement regardless of whether any such damages are contained in a proposal, and such award is expressly prohibited.

13.3.6 **Effectiveness of Agreement**. Unless the Parties otherwise agree in writing, during the period of time during which any arbitration proceeding is pending under this Agreement, (a) the Parties shall continue to comply with all those terms and provisions of this Agreement that are not the subject of the pending arbitration proceeding; and (b) in the event that the subject of the Dispute relates to the exercise by a Party of a termination right hereunder, including in the case of a material breach of this Agreement, the effectiveness of such termination shall be stayed until the conclusion of the proceedings under this Section 13.3 (Arbitration).

13.3.7 **Confidential Proceedings**. All arbitration proceedings and decisions of the Arbitrators under this Section 13.3 (Arbitration) shall be Confidential Information of both Parties and subject to the terms of Article 9 (Confidentiality). The arbitration proceedings shall take place in New York, New York, in the English language.

13.3.8 **Equitable Relief**. Nothing in this Section 13.3 (Arbitration) shall preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining

order, preliminary injunction, or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding.

13.3.9 **Remedies**. Each Party shall be free, pursuant to Article 13 (Dispute Resolution), to seek damages, costs and remedies through such arbitration that may be available to it under Applicable Law or in equity and shall be entitled to offset the amount of any damages and costs obtained against the other Party in a final determination under Section 13.3 (Arbitration), against any amounts otherwise due to such other Party under this Agreement.

ARTICLE 14 COMPLIANCE

14.1 **Data Privacy Laws.**

14.1.1 **Compliance**. When sharing or otherwise processing Personal Data, each Party shall comply with the obligations set out in this Agreement and with Applicable Laws, in any event including GDPR.

14.1.2 **Alignment by the Parties**. During the Term, the Parties shall align on whether Personal Data is expected to be received by a Party from the other Party under or in relation to this Agreement. Any Personal Data which (x) either Party expects to receive from the other Party or (y) is expected to be received by either Party or both Parties as part of its or their activities under this Agreement, shall be received by such Party or such Parties only in compliance with Applicable Laws.

14.1.3 **Data Processing Agreement**. If and to the extent Personal Data is processed on behalf of a Party by the other Party such that the other Party is acting as a "Processor" (as such term is defined in the GDPR), the Parties shall negotiate in good faith and enter into a separate data processing agreement. In the event of a discrepancy between any terms or conditions set forth in this Agreement and such data processing agreement, the terms of the data processing agreement shall govern.

14.1.4 **Data Transfer Agreement**. If and to the extent Personal Data is transferred by a Party to the other Party outside the European Union, the European Economic Area or Switzerland, the Parties shall negotiate in good faith and enter into a separate data transfer agreement and/or any applicable standard contractual clauses. In the event of a discrepancy between any terms or conditions set forth in this Agreement and such data transfer agreement, the terms of such data transfer agreement shall govern.

14.1.5 **Joint Controllers**. The Parties acknowledge that they are legally considered to be separate controllers according to Article 4 no. 7 of the

GDPR, with each Party being able to determine the purpose and means of processing the Personal Data held under its control, in accordance with its privacy statement. If and to the extent that the Parties jointly determine the purposes and means of processing of Personal Data, acting as "Joint Controllers" (Art. 26 GDPR), the Parties shall agree in writing on a joint controller agreement that determines their respective responsibilities for compliance with this Agreement and Applicable Law.

14.1.6 **Breach Notification**. Each Party shall promptly notify the other Party in writing after becoming aware of any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal Data subject to this Agreement ("**Data Breach**"). The notified Party may request further reasonable information about the Data Breach including a reasonably detailed description of the Data Breach and the categories of Personal Data affected by the Data Breach.

14.1.7 **Information**. Each Party shall inform its affected personnel about processing of their Personal Data by the other Party for the purposes of this Agreement so that such other Party complies with its information requirements under the GDPR towards personnel; where the informing Party is reasonably missing details to provide complete information, the other Party shall provide such information upon request and Selecta shall provide such notifications to [***].

14.1.8 **Audit Right**. Each Party shall, at no cost to the other Party, make available on request in timely manner such information as is reasonably required by such Party to determine whether or not Personal Data disclosed by such Party to the other Party is or has been processed in compliance with Applicable Law.

14.2 **Improper Conduct**. Each Party shall comply, and shall ensure that its Affiliates, Sublicensees or subcontractors comply, with reasonably comparable environmental, labor and social standards. Each Party shall ensure its and its Affiliates' and Sublicensees' compliance with the provisions of the OECD Anti Bribery Convention, the US Foreign Corrupt Practices Act, the UK Bribery Act 2010, and any other applicable local anti-bribery or anti-corruption laws, as are in force from time to time (jointly "**Anti-Bribery Laws**"). Thereby, each Party shall (a) adopt all necessary measures to prevent violation of the Anti-Bribery Laws; (b) not offer, pay, give, or promise to pay or give, directly or indirectly, any payment or gift of any money or thing of value to (i) any government official to influence any acts or decisions of such official or to induce such official to use his influence with any government to effect or influence the decision of such government in order to assist it in its performance of its obligations under this Agreement; (ii) any political party or candidate for public office for such purpose; or (iii) any Person if such Party knows or has reason to know that such money or thing of value shall be offered, promised, paid, or given, directly or indirectly, to any official, political party, or candidate for such purpose. In addition to any other rights either Party may have under this Agreement, if a Party notifies the other Party of, or if a Party otherwise has a reasonable suspicion of, the occurrence of any violation by the other

Party, its Affiliates or its Sublicensees of any Anti-Bribery Laws, any environmental, labor and social standards (collectively, "**Improper Conduct**"), such Party may inspect or have inspected by an independent auditor the premises, books and records of the other Party relevant to Improper Conduct for the purpose of ensuring compliance by such other Party of its obligations under this Section 14.2 (Improper Conduct).

ARTICLE 15 MISCELLANEOUS

15.1 **Assignment**.

15.1.1 Except as expressly provided herein, neither this Agreement nor any interest hereunder shall be assignable, nor any other obligation delegable, by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign this Agreement in whole without the consent of the other Party to (i) any Affiliate or (ii) a successor to substantially all of the business of the assigning Party to which this Agreement relates, in connection with any merger, sale of stock, sale of assets or other similar transaction.

15.1.2 No assignment under this Section 15.1 (Assignment) shall relieve the assigning Party of any of its responsibilities or obligations hereunder and *provided*, *further*, that as a condition of such assignment, the assignee shall agree to be bound by all obligations of the assigning Party hereunder.

15.1.3 This Agreement shall be binding upon the successors and permitted assigns of the Parties.

15.1.4 Any assignment not in accordance with this Section 15.1 (Assignment) shall be void *ab initio*.

15.2 **Performance and Exercise by Affiliates**. Each Party shall have the right to have any of its obligations hereunder performed, or its rights hereunder exercised, by any of its Affiliates and the performance of such obligations by any such Affiliate shall be deemed to be performance by such Party; *provided*, *however*, that such Party shall be responsible for ensuring the performance of its obligations under this Agreement and that any failure of any Affiliate performing obligations of such Party hereunder shall be deemed to be a failure by such Party to perform such obligations. For clarity, the foregoing means that each Party may designate an Affiliate to perform its obligations hereunder or to be the recipient of the other Party's performance obligations hereunder.

15.3 **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

15.4 **Relationship of the Parties**. Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, joint venture or employer-employee relationship between the Parties.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

15.5 **Accounting Procedures**. Each Party shall calculate all amounts, and perform other accounting procedures required, under this Agreement and applicable to it in accordance with the Accounting Standards.

15.6 **Force Majeure**. Neither Party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, default by suppliers or unavailability of raw materials, governmental acts or restrictions or any other reason which is beyond the control of the respective Party. The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and shall use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable.

15.7 **Entire Agreement; Amendments**. This Agreement constitutes and contains the entire understanding and agreement of the Parties respecting the subject matter hereof and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

15.8 **Governing Law; Jurisdiction**. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, USA, without regard to the conflict of laws principles that would require application of the laws of a jurisdiction outside of the State of New York, USA.

15.9 **Notices and Deliveries**. Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person or transmitted by express courier service (signature required) or by email to the Party to which it is directed at its address or email address shown below or such other address or email address as such Party shall have last given by notice to the other Party. Any notice sent by email in accordance with this Section 15.9 (Notices and Deliveries) shall be deemed to have been duly given when sent, *provided* that (i) a read receipt from each of the notice recipients has been received by the sender, and (ii) a copy of the notice is sent by overnight courier to the postal address of the relevant Party set forth below on the same day on which the email is being sent, and *provided, further*, that if the sender of the email does not receive a read receipt from each of the notice recipients or receives an automated response from the recipient or a mail server indicating that the recipient is out of office or that the email could not be delivered, such notice shall be deemed delivered on the third day deposited with the overnight courier for delivery to the relevant Party's postal address set forth below. This Section 15.9 (Notices and Deliveries) is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

Notices to Selecta shall be addressed to:

Selecta Biosciences, Inc.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

65 Grove Street
Watertown, MA 02472 United States
Attn: [***]

With a copy, which shall not constitute notice, to:

Ropes & Gray LLP 800 Boylston St Prudential
Tower Boston, MA 02199 United States
Attn: [***]

Notices to Astellas shall be addressed to:

Audentes Therapeutics, Inc. 600 California Street17th Floor
San Francisco, CA 94108 Attn: [***]

With a copy to:

Astellas US LLC One Astellas Way
Northbrook, IL 60062 Attn: [***]

15.10 **Language**. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

15.11 **Waiver**. A waiver by either Party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any other term or condition hereof. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

15.12 **Severability**. When possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Laws, but if any provision of this Agreement is held to be prohibited by or invalid under Applicable Laws, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable

provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

15.13 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. A portable document format (PDF) copy of this Agreement, including the signature pages (with a handwritten or a certified or non-certified electronic signature), shall be deemed an original.

15.14 **Headings; Construction; Interpretation**. Headings used herein are for convenience only and shall not in any way affect the construction of or be taken into consideration in interpreting this Agreement. The terms of this Agreement represent the results of negotiations between the Parties and their representatives, each of which has been represented by counsel of its own choosing, and neither of which has acted under duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms of this Agreement shall be interpreted and construed in accordance with the definitions for such terms provided herein or, if no such definitions are provided, with their usual and customary meanings, and each of the Parties hereto hereby waives the application in connection with the interpretation and construction of this Agreement of any rule of Applicable Laws to the effect that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party whose attorney prepared the executed draft or any earlier draft of this Agreement. Any reference in this Agreement to an Article, Section, subsection, paragraph, clause, Schedule or Exhibit shall be deemed to be a reference to any Article, Section, subsection, paragraph, clause, Schedule or Exhibit, of or to, as the case may be, this Agreement. All Schedules and Exhibits to this Agreement shall form an integral part of this Agreement. Except where the context otherwise requires, (a) any definition of or reference to any agreement, instrument or other document refers to such agreement, instrument other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (b) any reference to any Applicable Laws refers to such Applicable Laws as from time to time enacted, repealed or amended, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, refer to this Agreement in its entirety and not to any particular provision hereof, (d) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “but not limited to”, “without limitation” or words of similar import, (e) the word “or” is used in the inclusive sense (and/or), unless otherwise indicated by the term “either/or” and (f) the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders. Any reference in this Agreement to “royalty” or “royalties” (whether used in capitalized letters or not) shall include royalties and other recurring or deferred payments payable by a Party to the other Party for compensation or consideration of rights granted hereunder.

[Signature Page follows]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

IN **WITNESS WHEREOF,** the Parties hereto have caused this Agreement to be executed and delivered in duplicate by their duly authorized representatives with legal and binding effect as of the Effective Dale.

AUDENTES THERAPEUTICS, INC.	SELECTA BIOSCIENCES, INC.
By: Morten Sogaard	By: Carsten Brunn, Ph.D.
Morten Sogaard	Carsten Brunn, Ph.D.
President	President and Chief Executive Officer

SIGNATURE PAGE TO LICENSE AND DEVELOPMENT AGREEMENT

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 1.118

[***]

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 2.7.4

[***]

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 4.1

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 4.2

[***]

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Confidential

Schedule 4.2

[***]

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 5.1.2

Initial Xork Development Plan

[***]

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 5.1.5 Development Progress Report

[***]	
[***]	
[***]	
[***]	
[***]	
[***]	
[***]	
[***]	

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 5.2.2

Initial Astellas Development Plan

[***]

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 5.7 Trademarks

[***]

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 9.4.1 Press Release */***/*

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

Schedule 10.2

Selecta Disclosure Schedule

[***]

Exhibit 21.1

Subsidiaries of Cartesian Therapeutics, Inc.:

Name	Jurisdiction of Organization
Selecta (RUS) LLC	Russia
Selecta Biosciences Security Corporation	Massachusetts
Cartesian Bio, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8, File No. 333-212215) pertaining to the 2008 Stock Incentive Plan, as amended, the 2016 Incentive Award Plan and the 2016 Employee Stock Purchase Plan of Cartesian Therapeutics, Inc.,

(2) Registration Statement (Form S-8, File No. 333-224109) pertaining to the 2016 Incentive Awards Plan and the 2016 Employee Stock Purchase Plan of Cartesian Therapeutics, Inc.,

(3) Registration Statement (Form S-8, File No. 333-228264) pertaining to the 2018 Employment Inducement Incentive Award Plan of Cartesian Therapeutics, Inc.,

(4) Registration Statement (Form S-8, File No. 333-230501) pertaining to the 2018 Employment Inducement Incentive Award Plan of Cartesian Therapeutics, Inc.,

(5) Registration Statement (Form S-8, File No. 333-239075) pertaining to the 2016 Incentive Award Plan and the 2016 Employee Stock Purchase Plan of Cartesian Therapeutics, Inc.,

(6) Registration Statement (Form S-8, File No. 333-256061) pertaining to the 2016 Incentive Award Plan and the 2016 Employee Stock Purchase Plan of Cartesian Therapeutics, Inc.,

(7) Registration Statement (Form S-8, File No. 333-264691) pertaining to the 2016 Incentive Award Plan and the 2016 Employee Stock Purchase Plan of Cartesian Therapeutics, Inc.,

(8) Registration Statement (Form S-8, File No. 333-274036) pertaining to the 2016 Incentive Award Plan and the 2016 Employee Stock Purchase Plan of Cartesian Therapeutics, Inc.,

(9) Registration Statement (Form S-8, File No. 333-276486) pertaining to the 2016 Stock Incentive Plan and 2018 Employment Inducement Incentive Award Plan of Cartesian Therapeutics, Inc., and

(10) Registration Statement (Form S-3, File No. 333-275171) of Cartesian Therapeutics, Inc.;

of our report dated March 7, 2024 with respect to the consolidated financial statements of Cartesian Therapeutics, Inc. included in this Annual Report (Form 10-K) of Cartesian Therapeutics, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Boston, Massachusetts

March 7, 2024

Exhibit 31.1

CERTIFICATIONS

I, Carsten Brunn, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K of Cartesian 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.

March 7, 2024

/s/ Carsten Brunn, Ph.D.

Carsten Brunn, Ph.D.
President and Chief Executive Officer, and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Blaine Davis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cartesian 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.

March 7, 2024

/s/ Blaine Davis

Blaine Davis
Chief Financial Officer
(Principal Financial 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 Annual Report on Form 10-K of Cartesian Therapeutics, Inc. (the "Company") for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

1. The Annual Report on Form 10-K of the Company for the period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 7, 2024

/s/ Carsten Brunn, Ph.D.
Carsten Brunn, Ph.D.
President and Chief Executive Officer, and Director
(Principal Executive Officer)

March 7, 2024

/s/ Blaine Davis
Blaine Davis
Chief Financial Officer
(Principal Financial Officer)

Cartesian Therapeutics, Inc.
Compensation Clawback Policy

As of January 31, 2024

Purpose

The Board of Directors (the "Board") of Cartesian Therapeutics, Inc. (the "Corporation") has adopted this compensation clawback policy (the "Policy") which provides for the recoupment of incentive-based compensation in the event of an accounting restatement. This Policy is intended to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "Act"), the rules promulgated thereunder by the Securities and Exchange Commission ("SEC"), and the listing standards of The Nasdaq Stock Market LLC ("Nasdaq," and such rules and listing standards, the "Applicable Rules"), and will be interpreted consistent therewith.

Applicability and Effective Date

This Policy is effective October 2, 2023 (the "Effective Date") and is applicable to all Incentive-Based Compensation (as defined below) received by Executive Officers (as defined below) after the Effective Date. The Policy will be administered by the Board or, if so designated by the Board, the Compensation Committee of the Board (the "Committee"), in which case references to the Board will be deemed to be references to the Committee. Any determination made by the Board under this Policy will be final and binding on all affected individuals. Each Executive Officer shall be required to execute the acknowledgement in Appendix A of this Policy as soon as practicable after the later of (i) the Effective Date and (ii) the date on which the employee is designated as an Executive Officer; provided, however, that failure to execute such acknowledgement shall have no impact on the enforceability of this Policy.

Restatement Clawback

In the event the Corporation is required to prepare an Accounting Restatement (as defined below), any Executive Officer who received Excess Compensation (as defined below) during the three (3) completed fiscal years preceding the date the Corporation is required to prepare an Accounting Restatement (the "Look-Back Period") shall be required to repay or forfeit such Excess Compensation reasonably promptly. For purposes of this Policy, the date the Corporation is required to prepare an Accounting Restatement is deemed to be the earlier of the date (i) the Board concludes, or reasonably should have concluded, that the Corporation is required to prepare an Accounting Restatement, or (ii) a court, regulator, or other legally authorized body directs the Corporation to prepare an Accounting Restatement.

Method of Repayment, Conditions for Non-Recovery

The Board shall have discretion to determine the appropriate means of recovery of Excess Compensation, which may include, without limitation, direct payment in a lump sum from the Executive Officer, recovery over time, cancellation of outstanding awards, the reduction of future pay and/or awards, and/or any other method which the Board determines is advisable to achieve reasonably prompt recovery of Excess Compensation. At the direction of the Board, the Corporation shall take all actions reasonable and appropriate to recover Excess Compensation from any applicable Executive Officer, and such Executive Officer shall be required to reimburse the Corporation for any and all expenses reasonably incurred (including legal fees) by the Corporation in recovering such Excess Compensation in accordance with this Policy.

The Committee, or in the absence of the Committee, a majority of the independent directors on the Board, may determine that repayment of Excess Compensation (or a portion thereof) is not required only where it determines that recovery would be impracticable and one of the following circumstances exists: (i) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Corporation has (A) made a reasonable attempt to recover such Excess Compensation, (B) documented such reasonable attempt, and (C) provided such documentation to Nasdaq; or (ii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Corporation, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

No Fault Application, No Indemnification

Recovery of Excess Compensation under this Policy is on a "no fault" basis, meaning that it will occur regardless of whether the Executive Officer engaged in misconduct or was otherwise directly or indirectly responsible, in whole or in part, for the Accounting Restatement. No Executive Officer may be indemnified by the Corporation, or any of its affiliates, from losses arising from the application of this Policy.

Definitions
For purposes of this Policy, the following definitions will apply:

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Corporation with any financial reporting requirement under securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that corrects an error that is not material to previously issued financial statements but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

Changes to financial statements that do not constitute an Accounting Restatement include retroactive: (i) application of a change from one generally accepted accounting principle to another generally accepted accounting principle; (ii) revisions to reportable segment information due to a change in internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; and (v) revisions for stock splits, reverse stock splits, stock dividends, or other changes in capital structure.

"Excess Compensation" means any amount of Incentive-Based Compensation received by an Executive Officer after commencement of service as an Executive Officer that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the Accounting Restatement, computed without regard to any taxes paid. For Incentive Compensation based on stock price or total shareholder return, where the amount to be recovered is not subject to mathematical recalculation directly from information in the Accounting Restatement, the amount to be recovered shall be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return, as applicable, and the Corporation shall retain documentation of the determination of such estimate and provide such documentation to Nasdaq if so required by the Applicable Rules. Incentive-Based Compensation is deemed received during the fiscal year during which the applicable financial reporting measure, stock price and/or total shareholder return measure, upon which the payment is based, is achieved, even if the grant or payment occurs after the end of such period.

"Executive Officer" means an individual who is, or was during the Look-Back Period, an executive officer of the Corporation within the meaning of Rule 10D-1(d) under the Act.

"Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part on stock price, total shareholder return, and/or the attainment of (i) any financial reporting measure(s) that are determined and presented in accordance with the accounting principles used in preparing the Corporation's financial statements and/or (ii) any other measures that are derived in whole or in part from such measures.

Compensation that does not constitute "Incentive-Based Compensation" includes equity incentive awards for which the grant is not contingent upon achieving any financial reporting measure performance goal for an individual to receive such award and that vest exclusively upon completion of a specified employment period, without any performance condition, and bonus awards that are discretionary or based on subjective goals or goals unrelated to financial reporting measures.

Administration, Amendment, and Termination

This Policy will be enforced and, if applicable, appropriate proxy disclosures and exhibit filings will be made in accordance with the Applicable Rules and any other applicable rules and regulations of the SEC and applicable Nasdaq listing standards.

The Board shall have authority to (i) exercise all of the powers granted to it under the Policy, (ii) construe, interpret, and implement this Policy, and (iii) make all determinations necessary or advisable in administering this Policy.

In addition, the Board may amend this Policy, from time to time in its discretion, and shall amend this Policy, as it deems necessary, including to reflect changes in applicable law. The Board may terminate this Policy at any time. Any such amendment (or provision thereof) or termination shall not be effective if such amendment or termination would (after taking into account any actions taken by the Corporation contemporaneously with such amendment or termination) cause the Corporation to violate the Applicable Rules.

In the event of any conflict or inconsistency between this Policy and any other policies, plans, or other materials of the Corporation (including any agreement between the Corporation and any Executive Officer subject to this Policy), this Policy will govern.

This Policy will be deemed to be automatically updated to incorporate any requirement of law, the SEC, exchange listing standard, rule or regulation applicable to the Corporation.

Appendix A:

Cartesian Therapeutics, Inc.
Compensation Clawback Policy

ACKNOWLEDGMENT

The undersigned acknowledges and agrees that the undersigned (i) is, and will be, subject to the Compensation Clawback Policy (the "Policy") to which this acknowledgement is appended, and (ii) will abide by the terms of the Policy, including by returning Excess Compensation (as defined in the Compensation Clawback Policy) pursuant to whatever method the Board determines is advisable to achieve reasonably prompt recovery of such Excess Compensation, as prescribed under the Policy.

Capitalized terms used but not defined have the meanings set forth in the Policy.

_____

Print Name

_____

Signature

Dated: